Can China Lead?
MARK BEESON
Published online: 23 Apr 2013.

To cite this article: MARK BEESON (2013): Can China Lead?, Third World Quarterly, 34:2, 233-250
To link to this article: http://dx.doi.org/10.1080/01436597.2013.775781

PLEASE SCROLL DOWN FOR ARTICLE

Full terms and conditions of use: http://www.tandfonline.com/page/terms-and-conditions

This article may be used for research, teaching, and private study purposes. Any substantial or systematic reproduction, redistribution, reselling, loan, sub-licensing, systematic supply, or distribution in any form to anyone is expressly forbidden.

The publisher does not give any warranty express or implied or make any representation that the contents will be complete or accurate or up to date. The accuracy of any instructions, formulae, and drug doses should be independently verified with primary sources. The publisher shall not be liable for any loss, actions, claims, proceedings, demand, or costs or damages whatsoever or howsoever caused arising directly or indirectly in connection with or arising out of the use of this material.
Can China Lead?

MARK BEESON

ABSTRACT The ‘rise of China’ is proving to be one of the most consequential developments of the early 21st century. One of the key questions it raises is about the impact this historically unprecedented process will have on the East Asian region in particular and the world more generally. Will Chinese policy makers will be able to translate the country’s growing material importance into other forms of political power and influence? Equally importantly, will Chinese elites be ‘socialised’ into the practices and norms of extant institutions, or will they attempt to redefine them to further Chinese foreign policy goals? This paper explores these questions by initially looking at the overall historical context in which East Asian regionalisation has occurred, before considering the operation of some of the more important regional institutions. It is suggested that China’s ability to offer regional leadership is constrained both by its own security policies—which are seen as increasingly threatening by many of its neighbours—and by the actions of the USA, which is trying to reassert its own claims to regional leadership. While the outcome of this process is inconclusive, it helps us to understand the more general dynamics reshaping the international system as a result of the emergence of new centres of international power.

The ‘rise of China’ has clearly been one of the most significant events of recent years. Although that phrase does not capture all the complexity and contradiction associated with China’s remarkable economic development, it does provide a useful shorthand for what is likely to prove one of the most consequential sets of processes in the 21st century. Indeed, it is not too fanciful to suggest that the transformation that has occurred in China in little more than three decades may prove to be the most important set of interconnected economic, political, social and strategic processes in the history of the planet. Even if it all goes badly wrong—which is not at all impossible—whatever happens in China will, as Napoleon famously predicted, have truly world-shaking ramifications.

But while the hyperbole may be justified for once, the question is: what will ‘China’ do with all this newly acquired power and influence? Do China’s political elites have a vision for China and its place in the world? Will they inevitably seek to challenge or even usurp the USA’s position as the dominant power of the era, as some of the most influential international relations analysts
would have us believe? More realistically, perhaps, will the East Asian region provide an important arena in which China’s growing foreign policy ambitions and objectives may be tested and perhaps even realised? These questions form the basis of the following discussion, but at the outset it is important to concede that the answers to such questions will necessarily be tentative and incomplete. The unprecedented nature of China’s recent transformation, the fluid nature of the international system and the unpredictable nature of the response to China’s growing assertiveness all make prediction difficult, if not foolhardy. What we can try to do is to identify the factors that are likely to constrain or facilitate China’s capacity to self-consciously shape the international system of which it is an increasingly consequential part.

The central argument that I develop in what follows is that—at this stage, at least—China’s ability to provide ‘international leadership’ is limited. This is, I suggest, partly because of the nature of the existing international system, partly because of domestic constraints, and partly because any attempt to do so is likely to be met with limited enthusiasm at best, outright hostility at worst. To develop this argument I initially provide some theoretical and historical context with which to explain the particular constraints and possibilities that confront China. Following this I give more specific consideration to the particular circumstances that obtain in East Asia, where any Chinese leadership ambitions are likely to be tested first. Finally, I offer some observations about the prospects for ‘hegemonic transition’.

Leadership or hegemony?

To suggest that the international system is in flux is hardly controversial. Both the apparent decline of the USA and the emergence of the so-called ‘BRIC’ economies are indicative of major changes in the established order and raise questions about the future direction, purpose and structure of the international order. Most fundamentally does the international order actually need ‘leadership’ of the sort we have become used to associating with the USA? Before we can answer that question and decide whether China, or anyone else for that matter, may be capable of providing it, we need to remember what US leadership or hegemony actually looked like.

For a generation of American scholars in particular there was something about the USA, its norms and values, the attractiveness of its culture and society that meant it was ‘bound to lead’. It is no coincidence, of course, that such views reflect an American sensibility, but they are influential primarily because of the USA’s position in the world. Since the Second World War the USA has enjoyed an unparalleled dominance in the international system that even sympathetic observers recognised allowed American policy makers to shape the international system in ways that reflected and furthered their interests. For all the attention that has understandably been paid to the USA’s ideational influence and ‘soft power’, the original foundation of its dominance was crudely material: in the aftermath of the Second World War, with Europe, Japan and China in ruins, the US economy accounted for nearly 30% of global GDP.
The reason we are all currently preoccupied with China is precisely the same: most observers think that, all other things being equal, China is on track to overtake the USA as the world’s largest economy sometime in the next decade or two. The question is what, if anything, China’s leaders might want or be able to do with this material potential. In the case of the USA the answer was—rather a lot. But this raises a further comparative question: was the emergence of US hegemony or leadership a product of unique, unrepeatable historical and geopolitical circumstances? To begin to answer this question and to consider its implications for China, it is useful to make an initial distinction between leadership and hegemony. Although the differences are often subtle, the USA has exercised both at times and it is helpful to say how.

The American way of hegemony

One of the most influential contributions to our understanding of the nature and possible importance of international leadership was provided by Charles Kindleberger. In Kindleberger’s seminal analysis of the Great Depression he argued that one of its principal causes was an absence of leadership, because:

The international economic and monetary system needs leadership, a country that is prepared, consciously or unconsciously, under some system of rules that it has internalized, to set standards of conduct for other countries and to seek to get others to follow them.

Because the UK was incapable and the USA was unwilling, no country provided the sort of leadership Kindleberger argued was necessary to prevent the international economy breaking down as a consequence of protectionism, competitive currency devaluations and beggar-thy-neighbour policies. The big lessons that the USA’s postwar policy makers took from the economic catastrophe of the inter-war period were, first, that it must never happen again and, second, that there were potentially ways of ensuring that it didn’t. In this context leadership can usefully be distinguished as ‘the use of power to orchestrate the actions of a group toward a collective end’.

The consequences of these conclusions are well known but merit brief restatement because they give a possible measure of the task confronting China if it is ever to replace the USA at the centre of a more or less regulated international economic order. The principal institutional manifestation of the USA’s new power and willingness to use it internationally was the creation of the so-called Bretton Woods institutions, created with the intention of providing collective goods and resolving the collective action problems that had plagued the inter-war system. Whatever one may think about the subsequent operation of the World Bank, the IMF and the General Agreement on Tariffs and Trade (later replaced by the World Trade Organization—WTO), they provided an institutionalized foundation for a particular vision of economic and political order. Not only were these institutions imbued with a particular set of liberal values and operating principles, but they offered a stark alternative to the model followed by the USSR and its allies.
The ideological contest that so distinguished the Cold War gives an important clue to the difference between leadership and hegemony. The USA undoubtedly exercised leadership when it decided to prod the Western Europeans into greater cooperation in the postwar period: not only were the war-weary, weakened Europeans receptive to a little prodding, but in the Marshall Plan the USA had a powerful set of incentives that actually made cooperation immediately worthwhile. This is, I think, a rather different process from the one that subsequently drew other countries into the American orbit. True, the Cold War and the implacable logic of geopolitical confrontation may have focused the minds of friend and foe alike but, as even radical critics have noted, institutionalised US hegemony offered long-term incentives and payoffs that made it attractive in its own right, even to states that might not have been traditional allies. Hegemony may, as Robert Cox argues, ultimately be about securing the dominance of a particular state, but it can do so because it creates an order based ideologically on a broad measure of consent, functioning according to general principles that in fact ensure the continuing supremacy of the leading state or states and leading social classes but at the same time offer some measure or prospect of satisfaction to the less powerful.

Some of these principles would need to be universal if the idea of hegemony is to have analytical purchase: the counter-intuitive idea of domination through consent would seem to be central among them. And yet what is distinctive about the US experience is that, as Ruggie pointed out, ‘it was the fact of an American hegemony that was decisive after World War II, not merely American hegemony’. In other words, while there may be common characteristics about hegemonic rule, the particular style or content may vary by country and period. This potential for difference would seem likely to characterise any future Chinese hegemony; it certainly distinguishes its earlier periods of dominance.

Hegemony with Chinese characteristics?

Whether we describe it as hegemony, dominance, civilisational influence or some other term, China has exerted a powerful influence over what we now think of as ‘East Asia’. There are several problems in attempting to compare China’s historical role in East Asia with the USA’s position in the contemporary system, not the least being differences in scale, operational style and constituent parts. US hegemony is the first truly global system of domination, although it is important to recognise that China dominated its ‘world’ until the intrusion of European powers made it painfully apparent that, not only were there other worlds out there, as it were, but they had achieved markedly superior levels of development—at least when measured in terms of the deeply interconnected realms of military and political innovation. Ironically enough, given that Western technological progress borrowed so heavily from China, it was largely the assumed superiority of Chinese civilisation that left its dynastic rulers so ill-prepared to meet the challenge of European imperialism.
Before the Europeans arrived, however, things were rather different. Chinese culture, especially ideas drawn from Confucian philosophy, has exerted a powerful influence on Japan, Korea and Vietnam in particular. More importantly and tangibly China’s influence and its relationship with other ‘states’ of the region were formalised in the ‘tribute system’. Although the political structures of pre-modern Asia were a good deal looser, less precisely delimited geographically, and more personalised than their Westphalian equivalents in Europe, China presided over a regional hierarchy that recognised its own dominance in the tribute missions dispatched by the likes of Japan, Korea, Vietnam, Thailand, Burma and Cambodia.

As far back as the Tang dynasty (618–907AD) China’s neighbours acknowledged its status as the leading power in the region by sending diplomatic delegations to pay homage. At one level this was ritualistic performance that had a limited impact on the subordinate powers which acknowledged China’s superior status. But while the tribute system may have been largely symbolic, it has been argued that it provided an important stabilising influence in a region with no formal mechanisms to manage intra-regional relations. David Kang suggests that ‘far more than a thin veneer of meaningless social lubricants, the tribute system and its ideas and institutions formed the basis of relations between states’. Kang has also claimed that, when China has been strong, the historical record suggests that what we now think of as East Asia has generally been stable and relatively peaceful.

Kang’s depiction of Chinese stability has been challenged, both from an historical perspective, and especially as a consequence of China’s recent, increasingly assertive behaviour in various regional territorial disputes. While there is plainly some merit in these criticisms, the general point to make about China’s prominent historical role in the region is that, first, it is not unprecedented and, second, China was instrumental in creating some of the region’s most distinctive institutions. As Zhang and Buzan point out, ‘Fundamental institutions defined and shaped by these [historical and social] processes do not just reflect the hegemonic institutional preferences, but also represent a collective solution invented by, and consented to among, East Asian states to the perennial problem of inter-state conflict, co-existence and cooperation’.

Perhaps the most striking difference between this Chinese form of dominance and the contemporary period is that, whereas the tribute system was marked by formal inequality but informal equality in practice, in the ideal-typical Westphalian system the picture is reversed: formal equality but a markedly hierarchical and unequal state system. Whether this system of tributary relations is ever likely to be reconstituted is only a slight possibility, but one that is not discounted by some observers. But whether it reappears in this precise form or not, the significance of the tribute system for the purposes of this discussion is twofold: first, there is a (significantly longer) precedent for effective Chinese dominance, one that differed in important ways from the contemporary system; second, there is no reason to suppose that any future hegemonic order will necessarily replicate the one established under the auspices of US power. Having said that, the enduring nature of American power continues to place limits on China’s global and regional ambitions.
East Asia and the ‘China model’

Despite China’s unprecedented economic expansion and the fact that it has rapidly become the most important trading partner for nearly every country in East Asia, it is still something of a surprise to be talking about its potential to lead the region, its historical role notwithstanding. After all, as recently as the 1980s China was still an impoverished ‘Third World’ nation on the fringes of the international system. As recently as the 1970s the People’s Republic was primarily seen by many of its neighbours in Southeast Asia in particular as a dangerous source of revolutionary ideology—fears that were reinforced by the existence of a large diaspora of ‘overseas Chinese’ throughout the region. There was little reason to suppose that such a disparate group of people—often with few direct links to the mainland, whose main claim to fame was as disproportionately successful capitalists—could constitute a coherent force of any sort, much less one that might obediently follow the injunctions of communist China.

Nevertheless, it is testimony to the divisive, paranoia-inducing impact of the Cold War that fears about both China and ethnically Chinese people in the region were rampant. Even more importantly the geopolitics of the region throughout the cold war period made region-wide leadership of any sort, let alone by China, an impossibility. The overwhelming strategic reality of cold war Asia was that it was divided along ideological lines, a situation that was reinforced by a strategic architecture that revolved around the series of ‘hub-and-spokes’ alliances established by the USA in the aftermath of the Second World War. Unlike Europe, where US hegemony underpinned European integration, in East Asia it had precisely the opposite effect. Unsurprisingly this had the result of isolating China from many of its neighbours and reinforcing fears about the negative impact of ‘American hegemonism’.

China’s re-emergence

China’s re-emergence as a regional and world power was the result of a series of internal reforms driven primarily by Deng Xiaoping. The process of ‘opening up’ the Chinese economy has been extensively detailed, as have its remarkable consequences. One of the most important symbolic and consequential initiatives undertaken by China’s leaders as the process of liberalisation and integration gathered pace, however, was the decision to join the WTO. Susan Shirk describes China’s decision to join the WTO as ‘the best thing that ever happened to China’s regional relations’, and it is not hard to see why: not only did this have the effect of further accelerating the process of economic expansion and integration, but it did so in a way that indicated Chinese leaders were going to play by the rules established under the auspices of US hegemony.

The extent of the reforms undertaken by China in order to join the WTO ‘far surpass’ any that have been required of previous applicants and involved actually rewriting parts of the Chinese constitution. At first blush this would seem to be an unambiguous expression of US dominance: after all, China has been forced to adjust to a regulatory and even normative framework that has
been largely created directly or indirectly in the USA. The pursuit of ‘socialism’ in China has been reduced to a rhetorical flourish, the primary purpose of which would seem to be giving some ideological continuity to a communist party largely legitimated by its ability to deliver growth in a global capitalist economy.

Edward Steinfeld persuasively argues that the transformation of China has a more fundamental material basis: as Chinese industries, companies and workers are integrated more deeply into global production networks and the organisational logics that underpin them, they are inexorably transformed by the processes of which they are a part. For Steinfeld,

> China today is growing not by writing its own rules, but instead by internalizing the rules of the advanced industrial West. It has grown not by conjuring up its own unique political-economic institutions but instead by increasingly harmonizing with our own.42

If these claims about the impact of regulatory compliance and even the very nature of production processes themselves are correct, then the implications are profound: even if China does become the largest economy in the world, and even if it does see a steady increase in its international influence as a consequence, it will do so as a successful capitalist economy, not as the standard bearer for a radically different set of ideas or practices.

This is a potentially very significant point, as many observers have cast doubt on China’s ability to lead.43 Because China does not have a coherent vision or alternative model to offer would-be followers, its capacity to offer leadership is circumscribed, the argument goes. Whatever one may think about the impact and underpinning logic of the so-called ‘Washington Consensus’, it did represent a fairly coherent set of policy proposals and implicit normative values.44 Few people are making similar arguments about the ‘Beijing Consensus’,45 and there are consequently questions about whether the ‘China model’ exists, much less offers an alternative to the dominant political and economic paradigm of the postwar era.

The China model

Even though China has arguably re-emerged into the international system as a highly successful capitalist economy and increasingly influential participant in the institutions of international governance, it is sufficiently different to represent a practical and theoretical challenge. In analytical terms the key question is how far the supposed ‘socialisation’ process has actually influenced the thinking and world-views in China.46 I say more about this later in the context of China’s foreign policy, but it is important to remember that change in ‘ruling ideas’ happens at a number of levels: in analyses of the sort I am undertaking here the focus is invariably on elite-level actors who are often unrepresentative of broader social opinion. While it is difficult to generalise about public opinion in non-democratic China, views about economic, foreign and social policy are clearly becoming more varied and critical. Having said that, it is also striking that such surveys of public opinion as do exist invariably suggest that China’s
government enjoys high levels of public support—and generally much higher than do their democratic equivalents in the West.

This is potentially important because, for all the alarmist predictions that have been made about China’s future, thus far at least the Chinese Communist Party has remained firmly in control. Moreover, there are few signs at this stage that China’s growing domestic bourgeoisie is clamouring for the sort of political transformation that characterised politics in the West at a similar stage of development—if it is possible to make those sorts of comparisons given all that has happened in between. What we can say is that China’s capitalists seem—like their counterparts in the West—intent on making money and are quite happy to work with China’s authoritarian, undemocratic government if this is the price for guaranteeing social stability and private profitability. Although much can change in a country that is prone to the occasional revolutionary upheaval, the foundations of the Chinese model of capitalism look reasonably secure. This may be one of its attractions to other countries seeking to replicate China’s broad-ranging economic and social development.

Plainly any attractions the China model may have are likely to be limited primarily to countries that are rather closer to the beginning of the developmental continuum than to the end. For this reason many have pointed to China’s growing economic and diplomatic influence in Africa as evidence of the attractiveness of the China model. Given the ‘pragmatic’ basis of the Beijing Consensus—do whatever seems to work, even if that means having an authoritarian state and cavalier attitude to human rights—and the significant developmental challenges in much of Africa, such views are understandable perhaps. And yet it is striking that China stands accused of ‘neo-colonialism’ and ‘neo-mercantilism’, and the impact of its policies has drawn growing criticism—not just in the West. Nevertheless, there are aspects of China’s approach to development that are not only arguably attractive in themselves—to the economic and political elites who are most likely to benefit from them, at least—but which may compel a degree of emulation for precisely the same reasons the Westphalian state was adopted throughout the world in the 19th century: because these aspects confer competitive advantages that leave rivals little option but to follow suit.

The emergence of ‘state capitalism’ has attracted growing attention as the rise of the BRIC economies has become synonymous with the emergence of a very different style of political and economic organisation to that associated with the Washington Consensus. As Ian Bremmer points out:

State capitalism is not the reemergence of socialist central planning in a twenty-first century package. It is a form of bureaucratically engineered capitalism particular to each government that practices it. It’s a system in which the state dominates markets primarily for political gain.

Such a formulation not only helps to explain the durability and perhaps the success of capitalist development in China, but it also explains why it is such a challenge to the extant order that has been dominated by the West generally and more recently by the USA in particular for the past 150 years or so. In an East
Asian context what is especially significant about China’s style of development and state–government relations is that it is entirely in keeping with a tradition of developmental success that has distinguished East Asia in the postwar period.\textsuperscript{55} While there may not be a ‘China model’ that other countries would either want or be able to adopt,\textsuperscript{56} there may be sufficient commonalities of history and experience to make China’s potential influence more significant than many in the West would like to think.

**Can China lead East Asia?**

Before European imperialism overturned the old order in Asia, China was its undisputed leader, even if the nature of its leadership was rather passive and customary. But Asia before the 19th century was a very different place: we cannot simply assume that just because China has led the region in the past it could do so again, or that the factors that underpinned its dominance and the stability of the region then are relevant now. In trying to decide whether China can lead, a number of interconnected questions seems relevant: does China have the capacity to lead? How are its leadership ambitions likely to be received in Asia and elsewhere? Is the sort of leadership, or even hegemony, associated with the USA either possible, necessary or desirable in the 21st century?

**China’s grand strategy**

While China clearly has one of the most important qualities for becoming a major actor in regional and even world affairs—the second largest economy in the world—translating material weight into influence is not a straightforward process. China’s great regional rival, Japan, is a reminder of just how difficult it can be to make the transition from developmental superstar to aspiring great power. True, there were (and still are) particular domestic and external impediments that inhibited Japan’s foreign policy ambitions, not the least of which is its continuing strategic dependence on the USA.\textsuperscript{57} While China plainly doesn’t have the same problem with the USA—quite the contrary, in fact—it has suffered from Japanese-style inhibitions about assuming too prominent a place in world affairs. Deng Xiaoping’s famous dictum that Chinese foreign policy should ‘adopt a low profile and never take the lead’ is remarkably like Japan’s ‘Yoshida doctrine’, which also placed an emphasis on domestic development and national strengthening.\textsuperscript{58} The question in China’s case is whether the period of domestic development has been effectively accomplished and its foreign policy ought to reflect its new status.\textsuperscript{59}

China’s foreign policy-making process is notoriously opaque and difficult to decipher. Ultimate responsibility for foreign policy decisions, like so much else, resides with the Politburo Standing Committee (PSC). Although the Ministry of Foreign Affairs (MFA) has notional responsibility for constructing China’s foreign policy, in reality, as Jakobson and Knox point out in one of the few detailed analyses of China’s decision-making processes, the MFA ‘is today merely one actor in the realm of foreign policy and not necessarily the most important one.’\textsuperscript{60} Significantly, no single member of the PSC has sole responsibility for
foreign affairs, a situation that inevitably makes policy making more contested and less focused. Adding to the uncertainty is the fact that there is a growing number of actors both inside and outside government attempting to influence the construction and content of policy. Not only do other government departments or actors such as the Ministry of Commerce or the People’s Liberation Army seek to influence policy, but so too do a growing number of non-state actors in universities, think-tanks and even the blogosphere. The result, argues David Shambaugh, is a ‘conflicted’ China with no single sense of national identity.61

This is not to say that the Chinese government does not have broadly consistent long-term goals or even a ‘grand strategy’, however. Like Japan before it China’s leaders have adopted a form of ‘comprehensive security’,62 consciously linking political, economic and military issues to achieve security and great power status. Avery Goldstein argues that China’s grand strategy has three core components:

Politically, China pursues multilateral and bilateral diplomacy to mute threat perceptions and to convince others of the benefits of engagement and the counterproductive consequences of containment. Economically, China nurtures relations with diverse trading partners and sources of foreign investment, weaving a network of economic relations to limit the leverage of any single partner in setting the terms of China’s international economic involvement. Militarily, China seeks to create some breathing space for modernization of its armed forces.63

Whether China should now be considered a ‘great’ or merely a ‘regional’ power is debatable,64 but, as Zhang and Tang point out, at an empirical level China’s influence is still likely to be manifest mainly at the regional level, so its policy in East Asia can be considered ‘the core of its grand strategy’.65 Its principal features, they argue, are an abiding consciousness of US hegemony, a desire to cultivate good regional relations, and an embrace of multilateralism and good international citizenship.66 Whether these goals are reconcilable with each other or with the rapidly evolving context within which regional relations are being played out is a moot point. Nowhere illustrates these tensions more clearly than China’s relations with Southeast Asia.

Is China’s policy charming...

For those observers who emphasise the importance of ‘socialising’ China into good behaviour its relations with Southeast Asia offer grounds for optimism. There plainly has been a dramatic change from China’s position as a destabilising exporter of revolutionary ideology little more than 30 years ago, to its current role as an important part of the East Asian region’s burgeoning institutional architecture. China’s regular participation in organisations such as the Association of South East Asian Nations (ASEAN) Regional Forum—the principal security grouping in the broader ‘Asia-Pacific region’67—has clearly had an impact on the diplomatic elites who participate. Undoubtedly such events have
contributed to ‘confidence building’ and must be given some credit for the overall peace and stability that distinguishes the region.

It is also important to recognise that China has actively reinforced this appearance of being what Robert Zoellick famously described as a ‘responsible stakeholder’,\(^6\) by unleashing a ‘charm offensive’ on the Southeast Asian region in particular.\(^6\) A number of points merit emphasis about this overall attempt by China to improve relations within the region generally and with Southeast Asia in particular. First, it implicitly recognises the potential value of participation in regional institutions and the possibility that this is not necessarily incompatible with the pursuit of ‘national interests’.\(^7\) On the contrary, long-term objectives may be achieved more effectively by cultivating good relations with other states and minimising potential points of resistance to a Chinese agenda.

Second, it has become increasingly common to talk about China’s ‘soft power’,\(^7\) a concept that was until recently almost exclusively associated with the USA. Not only did the USA’s own ideational influence and standing go into steep decline during the administration of George W Bush,\(^7\) but China’s also rose independently. Although there have been important discursive efforts on China’s part to reassure perennially nervous Southeast Asian states about the implications of what China insists is its ‘peaceful rise’,\(^7\) these rhetorical innovations have been reinforced by more tangible gestures. China’s decision not to devalue its currency at the height of the Asian crisis in 1998 was not only well received by the region, it signalled China’s (re)emergence as a decisive economic and political force in regional affairs.\(^7\) This policy of using its economic leverage to pursue long-term diplomatic goals in Southeast Asia was taken to new heights when China suggested establishing a free trade area with ASEAN. Although this was entirely in keeping with broader developments in the region,\(^7\) the fact that Chinese policy makers were willing to give ASEAN an ‘early harvest’ of unilateral trade liberalisation and access to China’s rapidly expanding domestic market highlighted the costs China was willing to bear to cultivate good relations.\(^7\)

We might be forgiven for thinking that China’s soft power is growing and that its charm offensive has been a success. But not only is it important to remember that the charm offensive was partly designed to offset the earlier ‘China threat’ theory that emerged primarily from the USA,\(^7\) we should also note that China’s own recent actions have undermined its efforts at regional rehabilitation.

...or alarming?

Over the past one or two years there has been a noteworthy shift in China’s foreign policy, one that casts doubt on its ability to provide regional leadership.\(^7\) Two issues in particular have sparked renewed regional anxiety. First, there is a growing concern about increases in Chinese defence spending.\(^7\) Although there has been a noteworthy increase in spending as China attempts to modernise its military, it remains small compared with the USA, which still outspends all of the other great powers combined.\(^8\) However, what has caused particular alarm is China’s acquisition of an aircraft carrier and a new generation of anti-ship
missiles, which some observers think may change the strategic balance in the region. Defence spending across the region has increased as a consequence, reinforcing the views of those who see the region as inherently unstable.

The second development that has caused alarm has been China’s increasingly assertive, even confrontational, approach to territorial disputes around the region generally, and in the South China Sea in particular. By some estimates oil reserves in the South China Sea may amount to over 200 billion barrels, second only to those in Saudi Arabia if proven. Since it became an oil importer as recently as the mid-1990s, questions of energy security have begun to assume an increasingly prominent place in China’s foreign policy priorities and calculations. It is not hard to see why: the principal source of legitimacy for the ‘communist’ elites that still govern China is their ability to continue delivering economic growth and social stability. Both of these would be threatened by any deterioration or transformation in China’s external sources of supply. The South China Sea could play a crucial role in insuring against such an eventuality, which helps to explain both China’s confrontational stance and its interest in developing the capacity to protect the vital sea lanes through which resources must travel.

The other significant aspect of China’s approach to its territorial disputes in the South China Sea is its reluctance to multilateralise them. Despite the existence of the Asian Regional Forum (ARF), an organisation that ought to be uniquely well placed to play a mediating role, China prefers to exercise its greater power and leverage through bilateral channels in this particular issue area. While China has demonstrated a willingness to play an active role in regional and even global institutions, this has not been at the expense of national sovereignty, which remains paramount in Chinese strategic thinking. In this respect, at least, for all the unhappiness China’s behaviour may cause among Southeast Asian political elites, China’s preference for sovereignty-enhancing regional institutions is entirely in keeping with ASEAN’s own fundamental principles. The question is whether such an approach can provide the basis of a leadership role for China at the regional level, let alone on the global stage.

The constraints on Chinese leadership

It has been widely noted that Japan and China are rivals when it comes to regional leadership. This helps to account for the relative feebleness and growing number of regional institutions: China, Japan, Indonesia and Australia have all proposed, or are associated with, different regional institutions and/or visions, which often have roles that potentially overlap and even compete. In the case of China’s preferred regional option—ASEAN plus 3 (APT), which includes the ASEAN states along with China, Japan and South Korea—there is no doubt that alternative proposals from the likes of Japan and Australia are actually designed to compete with, and diminish the influence of, the APT grouping. Many of China’s neighbours are concerned about the development of an organisation that is exclusively East Asian and that is likely to be dominated by China. A more encompassing definition of the region that includes the USA,
contrast, is seen as a way of limiting China’s influence and keeping the USA strategically engaged in the region.92

This marks an important change of direction in the region, and needs to be seen as part of a long-running contest to define the region itself and its constituent membership.93 In the aftermath of the Asian financial crisis, and with the enthusiastic support of Malaysia, it seemed that institution building in the region would not only take-off, but would do so with an exclusively Asian membership.94 Now, however, things look rather different. China’s growing material importance, its military modernisation and its increasingly assertive behaviour have caused growing alarm in Washington. Long preoccupied with the Middle East, many strategic analysts in the USA have suddenly become concerned about the possible challenge China poses to America’s assumed leadership in the ‘Asia-Pacific’ region. The recent ‘pivot’ in US foreign policy and the reprioritisation of strategic ties with traditional allies such as Australia and Japan, and even former foes like Vietnam, is evidence of this new policy focus.95 The reassertion of US strategic influence in the Asia-Pacific is one more manifestation of a number of factors that suggest China’s capacity to supply regional, much less global, leadership as conventionally understood is likely to be constrained for the foreseeable future.

Concluding remarks

There has been a direct response to China’s rise that is increasingly focused on the possible strategic implications of its growing power and apparent willingness to use it in the context of areas such as the South China Sea. While Chinese authorities continue to accumulate material weight and leverage in international affairs—as its symbiotic economic relationship with the USA vividly reminds us96—it is not easy to translate this latent power into influence, much less leadership of the sort we have traditionally associated with a single country such as the USA. But this may not be a failing of Chinese leadership so much, perhaps, as a more general indication of a profound change in the nature of the international system more generally. It is a striking feature of the contemporary system that no individual state or collective actor—not even the formerly ‘hegemonic’ USA, and certainly not the increasingly ineffectual EU—seems able to provide the sort of leadership that Kindleberger once thought was pivotal. This may, however, be more cause for celebration than consternation. True, there may be formidable regulatory and collective action problems in the increasingly integrated international economy, but this may be a small price to pay if we collectively avoid the strategic excesses that were unleashed at the height of the Bush administration’s period of ‘unipolarity’. Whether George W Bush provided ‘leadership’, or simply demonstrated the dangers of unfettered unilateralism, is debatable but, as Barry Buzan persuasively argues, moving towards a world without superpowers and the sort of ‘leadership’ they have traditionally supplied ‘may be no bad thing’.97

At a theoretical level this may mean that some of the assumptions and concomitant fears about ‘hegemonic transition’ are misplaced.98 Although it is not possible to address this issue in any detail here,99 the key point to emphasise is
that it may be inappropriate to infer any inevitable consequences as a result of China’s rise—should it continue. We have only two real examples of modern hegemonic orders (if we discount China’s), and the circumstances in which Britain and perhaps even the USA dominated the system are already becoming anachronisms. Even if China does eventually assume the sort of dominant position its growing material weight implies it might, the historical circumstances that underpinned Britain’s and America’s dominance look unique and unrepeatable. Even in East Asia, where we might expect China’s influence to be most readily felt, at this stage there is little evidence of any ‘bandwagoning’, much less identification with Chinese goals. This is hardly surprising: not only are the geopolitical circumstances that might encourage such ideological isomorphism absent, but so, too, is any Chinese ‘vision’ around which followers might coalesce—over-excited discussions of the self-serving, essentially nationalistic Beijing Consensus notwithstanding.100

And yet, despite East Asia’s chequered history, in which China has played a large and often tragic part, there are perhaps some grounds for cautious optimism. Despite the relentlessly gloomy predictions made by historical analogy about East Asia’s prospects and the inevitability of conflict and hegemonic competition, thus far at least the region remains remarkably stable. It is also, of course, the centre of the greatest economic development story the world has ever seen. There is much to lose by undermining this essentially benign state of affairs. If there are lessons to be drawn from European history, perhaps they are about the desirability of some sort of ‘concert of powers’ in which regional states—and perhaps a post-hegemonic USA too—reach some sort of mutual accommodation.102 This may not be the sort of leadership to which we’ve become accustomed, but it may prove more durable than some historical alternatives.

Notes

I would like to acknowledge the support of the EU FP0 large-scale integrated research project GREEn—Global Re-ordering: Evolution through European Networks (European Commission Project No 266809). I would also like to thank TWQ’s anonymous referees and the participants at the GREEn conference on ‘Analyzing the Role of Regional Leaders’, hosted by FLASCO-Argentina, for their very useful comments.

1 This is an unsatisfactory, but conventional, shorthand for the complex array of processes and influences that ultimately produce foreign (and domestic) policies. Some of these influences are considered in more detail in what follows.


15 Japan is undoubtedly the most important example of this possibility, and not just in Asia. While there were particular aspects of the relationship between Japan and the USA that are unique and which explain the degree of Japan’s reliance on the latter, the general point stands. See W LaFeber, The Clash: US–Japanese Relations throughout History, New York: Norton, 1997.


As one of two referees perceptively noted, the need to maintain social stability through full employment increases the pressure to ‘manipulate’ the yuan and limits China’s ability to provide international collective goods. See BJ Cohen, ‘The yuan tomorrow? Evaluating China’s currency internationalisation strategy’, *New Political Economy*, 17(3), 2012, pp 361–71.


T Brandan, ‘China’s foreign policy is playing catch-up with its new status’, *Guardian*, 22 March 2012.


66 Other influential Chinese scholars also emphasise the possible importance of multilateralism and ‘soft power’ as part of its grand strategy, which makes China’s recent more assertive behavior all the more surprising. See J Wang, ‘China’s search for a grand strategy’, *Foreign Affairs*, 90(2), 2011, pp 68–79.
78 For an overview of the policy debate in China, see M Beeson & F Li, ‘Charmed or alarmed? Reading China’s regional relations’, *Journal of Contemporary China*, 21(73), 2012, pp 35–51.
79 K Hille, ‘China’s defence spending to rise 11.2%’, *Financial Times*, 4 March 2012.
85 Y Zhu, ‘“Performance legitimacy” and China’s political adaptation strategy’, *Journal of Chinese Political Science*, 16(2), 2011, pp 123–140.


99 Beeson, ‘Hegemonic transition in East Asia?’.


**Notes on contributor**

**Mark Beeson** is Professor of International Politics, Murdoch University. He is the author of *Institutions of the Asia-Pacific: ASEAN, APEC and Beyond; Securing Southeast Asia: The Politics of Security Sector Reform* (with Alex Bellamy); *Regionalism and Globalization in East Asia: Politics, Security and Economic Development*; and is the editor of *The Routledge Handbook of Asian Regionalism* (with Richard Stubbs), and *Issues in 21st Century World Politics* (with Nick Bisley).