

Introduction

As I write these words, the People's Republic of China is celebrating its sixtieth anniversary. Since 1949, the government in Beijing has undoubtedly made huge progress in improving the living conditions of the Chinese people; over one-fifth of humanity is no longer facing the constant danger of hunger and starvation. Life in China has changed enormously for the better. There have of course also been trying times, especially during the "lost decade" of the Cultural Revolution, when the country faced the abyss of political and economic breakdown. Since its economic reforms launched in 1978, however, China has sustained the most rapid and protracted economic growth in modern history. Its economy has grown at about 10% annually in real terms in the years that followed—meaning that it has increased more than thirteen times in just over three decades (Bergsten et al. 2008, 106).

This economic expansion has increased China's technological and military capabilities. China's comparatively high growth rates, combined with its large size, have caused concerns abroad about a power shift in regional and even global political economy. There has been a surge in scholarship discussing China's rise and the concomitant prospects of power transition presaging its possible challenge to America's preeminence (e.g., Brown et al. 2000; Goldstein 2005; Ross and Zhu 2008; Shambaugh 2005). One salient theme of this debate among Americans has been whether to contain or engage China. Another strand of this discourse has been whether China's rise has inclined its neighbors to balance against it.

The participants in this discourse are of course fully aware that an *imbalance* of power has characterized East Asia and the international system. The United States has been the preeminent power, even during the Cold War. Since the Soviet Union's demise, its preeminence has been further strengthened. Even though China's recent growth has improved its relative position, the United States still has a vast lead in different measures of national power and will likely continue to enjoy a large advantage in the next few decades, especially in military capabilities. The failure of other states to balance against the United States presents an enigma to balance-of-power theorists. A similar puzzle presents itself in the reactions of China's neighbors to its reemergence as a major power. They have not ramped up their defense spending or scrambled to form a countervailing coalition in response to increasing Chinese capabilities. This book tries to explain this phenomenon—the non-occurrence of the expected outcome according to balance-of-power reasoning.

Several scholarly and policy-relevant concerns motivate my approach to this book. First, I try to ground my analysis on theories of international relations and political economy. In addition to extensive surveys of the literature on balance-of-power theories (and theories on power balances and balancing), I attend to recent rationalist theories about the origins of war and the conditions for peace, focusing especially on the idea of credible commitment.

Second, I try to introduce historical parallels in order to compare China's rise with other major power shifts. Not all such cases occasioned war or defeated hegemonic bids. Our thoughts tend to be warped by hindsight bias and the ease of recalling a few dramatic cases, such as Napoleon's France and Hitler's Germany. We tend to overlook cases in which "the dog did not bark," or occasions when the expected did not happen—such as when Mikhail Gorbachev decided not to continue his predecessors' policy of contending with or balancing against the United States. Few American scholars count his decision, the Soviet Union's demise, or the absence of war afterward, as a disconfirmation of balance-of-power theories.

Third, my analysis gives as much attention to the United States as it does to China. In this sense, my treatment is also different from the usual approach, which tends to focus on Chinese conduct and motivations without considering how these are influenced by others whose actions impinge on Chinese interests and perceptions. China's foreign policy clearly cannot be studied in isolation—how the United States acts influences how China acts. When it comes to balance-of-power dynamics in East Asia, the United States is the proverbial "elephant in the room." In bringing the United States explicitly into my discussion, I also call attention to the tendency by some analysts to apply

different logics of analysis and rules of evidence when studying different countries. In such cases, the proper names of the countries being studied rather than the theoretical variables in question come to drive an analyst's conclusions.

Moreover, I take the position that theories based primarily on Europe's or America's experiences cannot be automatically assumed to be generalizable to Asia or China but at the same time, Asia's or China's experiences are also not necessarily unique (Hui 2005). Neither Chinese uniqueness nor American exceptionalism provides a fruitful basis for engaging scholarship or policy. Finally, to paraphrase Karl Marx, people make choices even if they make them under circumstances not of their choosing. Therefore, structural conditions constrain officials' policies but do not necessarily determine them. How China's neighbors react to its reemergence as a major regional power depends in large part on what Beijing does with its power, and the outcome is hardly preordained, as is sometimes implied in some deterministic formulations of balance-of-power theories. Commenting on the victory of the Kingdom of Qin during China's Warring States era—the culmination of “universal” domination over the dynamics of balance of power—Victoria Hui (2004, 202) offered this important caveat: history is open-ended, and one should not mistakenly think that contingent outcomes reflect universal laws.

The larger conclusions from this book can be summarized as follows. Although theorizing about balance of power has had a very distinguished tradition and continues to influence international relations scholarship, it also has some debilitating limitations. This perspective overlooks important cases in history when balancing against an aspiring hegemon did not happen or when hierarchy prevailed over anarchy. Even more important, it places too much emphasis on military capabilities and diplomatic alignments as a response to ongoing or prospective power shifts, treating these changes as zero-sum challenges and giving insufficient attention to the fundamental causes driving these changes. To put it starkly but simply, my argument is that China's neighbors are not balancing against its rising power. There are sound reasons for the non-occurrence of this outcome expected from the balance-of-power perspective. The fundamental one is that officials are not myopic. They realize that balancing policies—by increasing their country's armament or seeking foreign allies—are at best short-term solutions and at worst self-defeating actions. They are short-term solutions at best because, in the long run, the fundamental drivers of a country's economic growth—and thus its national power—are located within it, and external attempts to bend its developmental trajectory are likely to have only a limited and transient effect. Balancing policies can be self-defeating because they entail important opportunity costs and

induce reactions that trigger cycles of escalating recrimination. The default strategy is not to balance because balancing policies require a strong domestic consensus to pay the current and prospective costs of these policies (Schweller 2004, 172). My argument goes even further, suggesting that balancing policies would entail forfeiting possible gains that could accrue from cooperation, gains that states are wary of foregoing in the absence of demonstrable hostility from a stronger neighbor. In this latter sense, my argument agrees with Stephen Walt's (1987) balance-of-threat theory.

Significantly, if states react to threat perception and not simply to power shifts, then there is something they can do about how others see them. This proposition suggests that officials do not have to make worst-case assumptions about others' intentions. If so, the balancing phenomenon does not have to be a constant feature of international relations, even though power shifts are always occurring. Rather, this phenomenon indicates choice, not destiny. I claim that this choice is fundamentally tied to an elite's strategy for garnering and sustaining domestic popularity and control. East Asian elites have collectively pivoted to a strategy of elite legitimacy and regime survival based on economic performance rather than nationalism, military expansion, or ideological propagation. In this respect, my interpretation differs sharply from other analysts whose studies emphasize Chinese nationalism, defense modernization, and an ambition to assert Beijing's cultural and political preeminence in East Asia. I see that such factors often have no less an influence on the formulation and conduct of U.S. foreign policy; this was particularly true during the administration of George W. Bush.

Whereas American officials and scholars continue to be concerned about military capabilities and security, or what Richard Rosecrance (1986) has called a "strategic vision" of national interest, East Asian countries—China included—have turned to an internationalist outlook that assigns priority to economic growth. To the extent that this model of governance has become pervasive in East Asia with few exceptions (e.g., North Korea, Burma), it has had a region-wide effect of dampening those forces that would have otherwise abetted the balance-of-power dynamics exemplified by competitive armament and exclusive alignment. To borrow from a summary observation made nearly two decades ago, I count myself among those who "are persuaded that the events of recent years are not moving in the direction of typical realist predictions, but rather away from them." Richard Rosecrance and Arthur Stein (1993, 11–12) went on to note, "Looking at the past, [the contributors to our volume] are impressed by the number of occasions in which other than strictly 'realist' determinants appear to have influenced or even decided national pol-

icy. Collectively, they believe that domestic factors have been neglected as determinants of grand strategy and that ideas, institutions, or interdependence play important roles in shaping national policy.” A singular focus on balance of power—defined primarily in terms of military capabilities—in scholarship, policy statements, and popular discourse reflects American ambitions and obsessions more than it does Asian reality.

How can a rising power, or for that matter an extant hegemon, try to reassure other states about its benign intentions so that they will not balance against it? Its ability to communicate a credible commitment to honor agreements and to eschew opportunistic behavior naturally becomes a focus for understanding how international cooperation can be initiated and sustained—even when all the parties involved are fully aware of the power asymmetries that characterize their relations and realize that the more powerful among them will not entirely forswear their advantages. I interpret the burgeoning commercial and financial ties among the East Asian countries as a form of credible commitment to cooperate and as a harbinger of such cooperation in the future. This does not mean that states with close economic relations would not go to war, but only that the probability of militarized conflict is reduced among such states.

Instead of policies traditionally understood as balancing efforts, I see more evidence of East Asian countries engaging in behavior that has been variously described as engagement, enmeshment, or entanglement—or to employ liberal terms, collaboration, cooperation, and integration. The key distinction is between organizing countervailing power to *balance* against a country on the one hand, and instituting networks of shared interests and interlocking relations to *defuse* its power on the other hand. The other important point to bear in mind is the synergy between self-restraint and restraint by others. The idea of balance of power has historically included both an associational aspect (self-restraint based on common expectations and norms, as in the case of the Concert of Europe after the Napoleonic Wars) and an adversarial aspect (the Concert members’ power competition to avoid relative loss), even though the latter aspect has dominated contemporary American scholarship on balance-of-power theories, in contrast with the English School.

Whether by self-restraint or reciprocal restraint, the exercise of power can be tamed in different ways. Washington’s construction of multilateralism offers one example of credible commitment to cooperate (Ikenberry 2001). This multilateralism integrated the United States with its West European allies after World War II and at the same time checked preemptively the latter countries’ potential challenge to U.S. leadership in the future, thereby underscoring both associational and adversarial motivations. In contemporary East Asia, bilateral

and multilateral hostage-giving and hostage-taking provides another example of jump-starting and then sustaining cooperation that would have otherwise been impaired by mutual distrust. This perspective emphasizes economic interdependence rather than military collaboration as a basis for building confidence and maintaining stability.

Whereas in standard formulations of balance-of-power theories balancing policies entail armament and alignment, such policies are not necessarily motivated exclusively or even primarily by balancing considerations. Defense spending can stem from domestic pork barrel politics, the influence of the military-industrial complex, and military Keynesianism to stimulate and manage the macro economy. Defense treaties can also have purposes other than the declared rationale. These treaties can be a *pactum de contrahendo*, intended as much to restrain an ally as to deter an adversary (Schroeder 1976). The North Atlantic Treaty Organization (NATO) was, for example, developed as much to deter the Soviet Union as it was designed to manage West Germany's rearmament and to sustain Washington's military preponderance by a policy of integrating the other NATO members' armed forces and subordinating them to U.S. leadership and control. If by bipolarity one means that the two bloc leaders need not depend on their allies for their own security, then why should the United States and the Soviet Union have bothered to protect their respective allies by entering into defense treaties with them during the Cold War? By this definition, these allies should not have mattered in the power balance between these bloc leaders—and the current U.S. global position, with its unassailable primacy, would have made these allies even more dispensable. Regime affinity, cultural identity, and other such variables are not typically admissible evidence in standard realist balance-of-power reasoning, and cannot therefore be invoked to explain such seemingly bizarre phenomena. If the preponderant power in a unipolar world can take on all military challengers, why again should Washington bother with entangling alliances?

In a recent special issue of the journal *World Politics*, John Ikenberry, Michael Mastanduno, and William C. Wohlforth (2009, 10) quoted Paul Kennedy's 2002 observation about the extent of U.S. global preponderance: "Nothing has ever existed like this disparity of power, nothing . . . I have returned to all of the comparative defense spending and military personnel statistics over the past 500 years that I compiled for *The Rise and Fall of the Great Powers*, and no other nation comes close." The United States, spending nearly half of the globe's military expenditures, is so much more powerful than the other major states that it seems odd to speak about its balancing against other states as opposed to the reverse. When balance of power is invoked to justify U.S. foreign

policy, this concept is often intended to endorse the maintenance and even expansion of U.S. dominance rather than redressing the power asymmetries characterizing its relations with other states.

It is moreover often taken for granted that the United States is a status-quo power whereas others, such as a rising power like China, are dissatisfied challengers of the international order, or at least potentially so. Hence, there is much reference in both U.S. official and scholarly discourse about somehow transforming China into a “responsible stakeholder.” Less attention has gone to considering the proposition that “The structural and contingent features of contemporary unipolarity point plausibly in the direction of a revisionist unipole, one simultaneously powerful, fearful, and opportunistic” (Ikenberry, Mastanduno, and Wohlforth 2009, 13). Robert Jervis (2009, 204) put matters more directly, remarking “What is most striking about American behavior since 9/11 is the extent to which it has sought not to maintain the international system but to change it. One might think that the unipole would be conservative, seeking to bolster the status quo that serves it so well. But this has not been the case.” The more preponderant a country’s power over others becomes, the freer it feels to pursue its ideological proclivities and the greater the role its domestic politics is likely to play in this pursuit. Significantly, remarks such as those just quoted are in the minority. Most American scholars tend to accept almost reflexively the assertion that the United States is a status-quo power and that all rising powers—with the exception of the United States overtaking Britain—are at least potentially revisionist, and they treat these assumptions for analysis as conclusions from it.

Of course, one does not have to be a realist or a balance-of-power proponent to acknowledge that weaker states are concerned about being dominated (or abandoned) by stronger ones—just as the latter countries are concerned about their strength relative to their peers. If “balancing” is taken to mean statecraft generally, it is surely possible for the secondary and even minor powers to engage in various forms of strategic behavior to manage, even manipulate, their relations with those that are more powerful (Bobrow 2008a). It is therefore not always self-evident who is being balanced by whom (such as in Pakistan’s complicated relations with the United States, China, India, and Afghanistan). Moreover, although armament and alignment policies represent the quintessential forms of balancing behavior, they can very much have a domestic source, such as powerful lobby groups influencing military spending and foreign patrons being sought in order to protect a regime from its domestic opponents (e.g., Saudi and Yemeni rulers facing challenges from Islamic fundamentalists). It is not difficult to imagine that national security and the

imperative of balance of power can be invoked for domestic parochial or partisan reasons. This being the case, domestic factors can influence both the non-occurrence and the ostensible occurrence of balancing behavior. These factors can affect officials' incentives and hamper their efforts to address an emergent foreign threat. At the same time, just because officials sometimes appear to engage in this behavior and even say so in their public statements, it does not necessarily follow that their behavior is in fact being motivated primarily by foreign rather than domestic considerations. Officials have been known to misrepresent—that is, to lie—about their motivations and intentions.

The preceding discussion raises naturally the question, “What [is the] price [of] vigilance?” (Russett 1970). How much security is enough, and can excesses in military expenditures undermine not just civilian consumption but also the long-term prospects of a country's economy? As already mentioned, East Asian countries have adopted a conception of security that extends beyond a narrow definition of military strength, giving priority instead to economic performance, one that provides the foundation for this strength. This view is associated traditionally with liberalism. At the same time, prominent realists have also warned that excesses in extending national power can have a boomerang effect. Tempering the definition of “national interest” and moderating the pursuit of power have been recurrent themes in the writings of Hans Morgenthau, Kenneth Waltz, Stephen Walt, and Christopher Layne. Despite my criticisms of realism and balance-of-power theories, I am in the company of these realists. Saying so, in turn, acknowledges that this book is not just about China and other states' reactions to its rise.

China offers a mirror to reflect on U.S. policies. Waltz (1986, 1988), for example, has warned that a concentration of power is dangerous and that it can provoke balancing behavior from other states. He and other realists have thus counseled that the United States should adopt the role of an offshore balancer rather than getting directly involved in East Asian countries' security. Still other “postclassical realists” would argue that military security does not and even should not always trump economic capacity as a policy priority, and that leaders can favor the latter over the former in making an intertemporal tradeoff so that a country may be better off in the long run both in its security and economic capacity (Brooks 1997). Whether such advice is sound can be debated. It is not helpful, however, to describe policies that have the intent and effect of sustaining and even increasing U.S. military preponderance—a situation of imbalance—as balancing. It is also unhelpful to overlook the question whether an excessive emphasis on armament and alignment can actually produce a less favorable power balance in the long run.

To state briefly my other major arguments in the following paragraphs, I claim that states' interactions can produce multiple equilibriums, rather than just one single or dominant one (a situation of balanced power), as balance-of-power theorists are inclined to assert. That is, a situation of balanced power is a contingent outcome rather than a universal law. As attested by ancient China's dominance in East Asia and, more recently, America's attainment of global primacy, outcomes other than balanced power are possible.

Moreover, as Kenneth Waltz (1997, 915) explained, "State actions are not determined by structure. Rather, as I have said before, structures shape and shove; they encourage states to do some things and to refrain from doing others. Because states coexist in a self-help system, they are free to do any fool thing they care to, but they are likely to be rewarded for behavior that is responsive to structural pressures and punished for behavior that is not." If so, one needs to inquire about when—and why—states living in a self-help system are likely to decide that cooperation pays greater dividends than competition. To invoke the well-known prisoner's dilemma game (Jervis 1978), what conditions can get states to move away from the saddle point of mutual defection and to get them to settle on some other more rewarding, self-sustaining process based on a long-term view of the benefits to be gained by cooperation?

This question suggests that structure is not everything or even the most important thing. This view contrasts with those balance-of-power theorists who are inclined to give primary and even exclusive attention to power shifts stemming from the natural and even inevitable differences in the growth rates of states. It proposes that one needs to instead consider the interactions of structural influences and agential strategies (Hui 2005). What a state, like a rising China, does or does not do matters in influencing other states' views—and, as already mentioned, the policies that others, especially the United States, adopt toward China also matter when it comes to Chinese conduct.

Agential strategies can involve attempts to reassure others so that they are not alarmed by one's power gains to mount balancing policies. As already mentioned, balance of power involves not just the competitive logic of reciprocal restraint by states to check one another's power. It also entails the associational logic of self-restraint supported by those norms and institutions that foster mutual trust and coordination. Moreover, I argue that agential strategies are fundamentally about a regime's or elite's ideas about how best to secure domestic political support, legitimacy, and therefore control. In other words, these strategies pertain fundamentally to what a regime or elite calculates to be the most promising approach to hold on to power. The strategies selected can make a huge difference in a state's external relations. When

many states in a region adopt similar strategies, their aggregate decisions have region-wide ramifications. That in contrast to the Middle Eastern elites, East Asian leaders have pivoted their regime survival and popularity on economic performance has been consequential in steering their external relations away from balance-of-power dynamics. I therefore problematize the occurrence of such dynamics, treating this phenomenon as a matter of contingency, reflecting elite choices rather than universal reaction to the international system's supposed structural imperative. In so doing, I connect states' foreign conduct to their domestic sources.

Finally, as already mentioned, I shall try to introduce historical contrasts and parallels in order to situate China's recent rise in a broader context, even though space limitation does not allow an extended treatment of precedents such as those offered by China's own preeminence in East Asia roughly between the fourteenth and nineteenth centuries and the predicaments faced by the Second Reich after Germany's unification in the wake of the Franco-Prussian War of 1870. Two reasons motivate my inclination to attend to such a historical and comparative orientation.

First, I reject the often implicit and sometimes explicit claim of Chinese uniqueness or American exceptionalism—and indeed, the ethnocentric and even self-serving treatment that one sometimes encounters in the literature. Thus, for instance, some analysts suggest that China's recent relative power gains have altered its incentives and constrained U.S. influence (observations that verge on being truisms), without even a simple acknowledgment of the implications introduced by these views for the contrasting case of the Soviet Union's collapse and Russia's relative decline to U.S. power and incentives. Selective attention causes analysts to address the policy and theoretical implications of China's relative power gains without, however, considering similar cases such as Germany's and Japan's recent overtaking of the Soviet Union/Russia in their economic capabilities, even while adopting the position that material capabilities should always trump regime intentions or ideology in explaining the foreign policies of states.

Second, by introducing other historical cases of ascending and declining powers and the alternative experiences and outcomes associated with their capability changes, one can conjecture about “what could have happened but did not” and try to discern the possible relevance of these conjectures for informing the case of contemporary China. For instance, why did the other states not block the United States from achieving regional hegemony in the Western Hemisphere? As another example, the recent decline of the Soviet Union/Russia and China's recent ascendance should present a quasi-experiment for

comparing U.S. responses. Has Washington reduced its armament and alliance commitments in Europe and acted conversely in Asia? If balancing power has motivated U.S. policies, one should see these policies moving in opposite directions in these two regions. Balance-of-power theories cannot have things both ways.

When I remarked above that I reject the view of Chinese uniqueness or American exceptionalism, I have in mind more than just an interest in engaging in historical comparisons and empirical generalizations. I hope to avoid the tendency to emphasize the other's exoticness and one's own special status—a tendency that often borders on cultural stereotyping. Readers of this book will not encounter discussions of the Middle Kingdom Syndrome, China's concept of *tianxia* ("all under heaven"), imperial China's tributary system, or strategizing as reflected by the board game *wei ch'i*. These ideas are not entirely irrelevant to China's contemporary international relations, but these references serve more the purpose of conjuring up some cultural disposition without explicating the interpretive logic necessary to show the usefulness or validity of the suggested extrapolation. It is about as useful as invoking Manifest Destiny, the Monroe Doctrine, the idea of Fortress America, the analogy of American football, Alfred Thayer Mahan's treatise on sea power, and even Thucydides's history of the Peloponnesian War to illuminate current U.S. foreign policy.

Any country with a long history and a rich culture, including China, offers contested ideas and competing, even divergent, doctrines and schools of thought. Indeed, strategic thoughts often embody bimodal injunctions, such as to be cautious *and* audacious, confident *and* vigilant, uncompromising *and* flexible, optimistic about eventual victory *and* realistic about short-term setback (Bobrow 1965, 1969; Bobrow, Chan, and Kringen 1979). Chinese diplomatic discourse and military treatises feature both lofty Confucian rhetoric on the efficacy of moral suasion and hard-nosed, *realpolitik* recognition of military coercion (Feng 2007; Johnston 1995)—just as contemporary analyses of and pronouncements about U.S. policies often incorporate both liberal and realist themes and arguments. Such elements can coexist.

Moreover, there is often a gap between one's self-image (one that may even be shared by foreigners) and a more complicated record of history. China's interstate history is replete with wars and military campaigns that belie the Confucian dogma stressing "soft power" based on ethical teachings and cultural appeal. Actual practice has often departed from ritualistic rhetoric and official orthodoxy. Notwithstanding arguments to the contrary, the Chinese have not always eschewed maritime initiatives, shunned commercial contact with foreigners, or insisted that the latter be treated unequally under the tributary

system (e.g., Dreyer 2007; Fairbank 1968; Levathes 1994; Reid and Zheng 2009; Rossabi 1983). Nor has China always managed to maintain a hierarchical system within its borders or in East Asia. Its regional hegemony has not always been accompanied by peace; there have been numerous wars, especially when dynastic authority has declined and imperial rule weakened (e.g., Hui 2008; Wang 2009). Even China's Great Wall, both as a physical and ideational construct, shows the considerable distance that can separate myth-making from historical reality (e.g., Waldron 1990). As these and earlier remarks suggest, I am generally skeptical about sweeping cultural, historical, and even psychological attributions, such as those suggesting ostensible Chinese nationalism, ethnocentrism, yearning for order, or proclivity for authoritarian rule (e.g., Pye 1968) as a basis for understanding contemporary Chinese foreign policy.

There was at one time much American interest in whether Lin Piao's 1965 article commemorating the 20th anniversary of China's victory against Japan's invasion, entitled "Long Live the People's War," publicized a blueprint for Chinese conquest of the world. More recently, there has been a debate about whether the idea *tianxia* offers a Chinese vision of a just world order or camouflages a justification for Beijing's hegemonic ambitions (e.g., Callahan 2008; Zhao 2005). This debate was triggered by Zhao Tingyang's *Tianxia Tizi* (*The Tianxia System*) in which he suggests that the traditional Chinese concept of "all under heaven" presents a more harmonious alternative to Western conceptions of world order. In this book, I will not engage in such textual interpretation and doctrinal analysis as widely practiced by researchers on China's foreign relations. Because others have already written extensively on various official theories or pronouncements (e.g., Shih 2005), I will not address topics such as Mao Tsetung's views on the "three worlds," Deng Xiaoping's advice of "*taoguang yanghui*" ("conceal brightness, cultivate obscurity"), Jiang Zemin's "*duoji shiji*" ("multipolar world"), or the ideas of "peaceful development" and "harmonious society" propounded by Hu Jintao and Wen Jiabao. These declarations present a particular worldview, profess a policy agenda, and even offer some insights about self-image and grand strategy. My predilection, however, is to give more emphasis to actual conduct than the leading figures' public statements—to eschew the practice, if you will, of "slow journalism." As it will also become evident in the following discussion, rather than echoing conventional views prevalent in American and even Chinese scholarship, I am inclined to question and even challenge them. My interpretations and arguments often depart from the mainstream.

Instead of dwelling on the more idiosyncratic or discrete aspects of Chinese foreign policy, such as reporting on or dissecting the nuances of public pro-

nouncements or private interviews, my approach favors generalizations about policy conduct that set China and, indeed, East Asia, in a comparative and historical context. Thus, for instance, I try to show that leaders in East Asia have pursued a model of elite legitimacy and political economy different from that chosen by their counterparts in the Middle East and, to a lesser extent, Latin America. Moreover, my approach attends specifically to the intersection of politics, economics, and security considerations, showing how defense spending can hamper economic competitiveness, and how economic interdependence can build trust and discourage militarization. I have not cited extensively from Chinese language sources—not because of any language handicap, but rather because English language sources have become widely available on the internet. Moreover, Chinese scholars have acknowledged forthrightly that there has been a dearth of distinctively Chinese international relations theories—with much research and teaching heretofore having relied heavily on translations of books written by U.S. scholars (Qin 2007). Academic publications in China have usually applied conceptual categories and interpretative logic prevalent in American discourse—an important indication of U.S. “soft power.”

The rest of this book unfolds as follows. In Chapter 2, I take up a review of the pertinent literature on balance of power, power balance, and balancing policies. This review points to areas of tension in this literature. The concept of balance of power has been used not only for international relations theories, but also as a symbol—even as an imperative—in framing discourse and justifying policies.

In Chapter 3, I survey the evidence on whether China’s neighbors have been balancing against it. I focus specifically on data pertaining to their defense spending, trade with China, and alignment with the United States, as indicated by the deployment of U.S. military personnel on their soil. Both over time and across space, these data contradict the claim that China’s neighbors have been balancing against it.

In Chapter 4, I develop an econo-political explanation of why East Asian states have eschewed balancing policies. The opportunity costs of these policies are significant, both economically and militarily, and these costs have become even larger today than in the past because of the severity of guns-versus-butter tradeoff and the prospective reaction of globalized financial markets. I argue that governing elites in East Asia have increasingly staked their legitimacy and regime survival on their economic performance and that this decision is consequential in moving their regional relations in a cooperative direction.

In Chapter 5, I push my argument further and suggest that economic interdependence serves as a substitute for traditional military means of demonstrating

resolve, commitment, and reassurance. I pursue my claims by way of four extended “mini case studies” that highlight the contradiction between East Asian reality and the usual balance-of-power expectations. These cases pertain to Taiwan’s burgeoning commerce with China, North Korea’s declining alignment with China and Russia contrasted with the persistence of the U.S.–South Korean alliance even though Pyongyang has fallen far behind Seoul in capabilities, Japan’s decision to eschew nuclear armament and to maintain its defense budget at about 1% of its gross domestic product, and finally, the massive amount of U.S. public debt that China has purchased. To considerable degrees, albeit in different ways, these phenomena suggest nonverbal communication to reassure, or in North Korea’s case, to demonstrate resolve.

Chapter 6 presents a series of discussions on the sources of changing power balances, the policy ensemble available to a declining power, and the communication that states can undertake to reassure each other that they are interested in protecting their security rather than expanding their power. It discusses briefly the U.S. ascent to hegemonic status in the Western Hemisphere, Britain’s multifaceted attempts to manage its decline prior to World War I, and the Soviet Union’s retrenchment policies that brought an end to the Cold War. It also takes up the topic of how a state can establish its trustworthiness in others’ eyes. Prussia was able to avoid balancing reactions from other European powers in the Danish-Prussian War of 1864 by signaling self-restraint, invoking common norms, and appealing to their self-identity (Goddard 2008/09).

Chapter 7 continues the theme of credible commitment to build trust and to reassure other states. It specifically introduces institutions of multilateralism as a form of self-binding that makes a hegemon’s power more predictable and legitimate in the eyes of others. These institutions were fostered by Washington after 1945, an approach that encouraged long-term cooperation from its Western allies without necessarily forswearing America’s power advantages. East Asia today is still far from reaching the level of multilateralism that characterizes the North Atlantic security community or the European Union. Nevertheless, there is an emergent and increasingly strong network of interlocking bilateral and multilateral financial and economic interests that buttress trust and reinforce cooperation. I present this network in the context of self-enforcing arrangements that make cooperation possible and sustain it in the long run. These developments that entrench cooperative interests and ideas do not necessarily banish power politics but contribute importantly to taming its practice.

Chapter 8 offers concluding comments, advancing three claims. First, by the logic of balance-of-power theories, China is unlikely to initiate a bid for

regional hegemony, and if it does, it is unlikely to succeed. Second, rather than adopting the posture of an offshore balancer, the United States has pursued extra-regional hegemony—a policy that has contradicted the expectations and advice of many prominent realists. Third, this U.S. policy has been based historically on a grand bargain, exchanging the “follower” states’ political deference to Washington for its military support and economic patronage. This bargain, however, is becoming increasingly strained due to a reduced need by Washington’s traditional allies for its military protection and their diminished dependence on the U.S. market and desire for the U.S. dollar. At the same time, the pursuit of extra-regional hegemony will exacerbate further America’s guns-versus-butter tradeoff in more challenging economic circumstances. These remarks suggest that China’s rise is not the only or even the most important development that may destabilize international relations.

To summarize my thesis, too much emphasis has been given to competitive (or adversarial) logic in interstate relations and not enough to cooperative (or associational) logic. Balance-of-power theorists tend to accept structural anarchy as an axiomatic truth, thus overlooking the prevalence of political order and hierarchy (Lake 2009). They, and some who study domestic politics, contend that it is difficult to reach deals because people (and states) have difficulty making credible commitment. I suggest instead that Asia Pacific countries have had considerable success in overcoming this commitment problem, thereby fostering the macro trends and foundations for regional cooperation.

My claim rests on interlocking international and domestic bargains that have been struck, implicitly or explicitly. These bargains indicate a series of exchanges and were intended to promote confidence in self-restraint and mutual restraint. As just remarked, post-1945 relations between the United States and its allies signaled a grand bargain, exchanging the former’s provision of security protection and market access in return for the latter’s political subordination. The Yoshida doctrine exemplified one such bilateral agreement. External bargains often have “domestic clauses” (Wagner 2007), with Japan’s peace constitution (imposed by the U.S.) providing another obvious example. Alliances such as those of Japan and South Korea with the United States serve not only the purpose of deterring foreign threats but also enable a dominant power to restrain its allies from seeking military independence. Thus these alliances signal Japan’s and South Korea’s self-restraint by self-binding to the United States, reassuring other states about their intention to eschew military power (most obviously, again, in Japan’s capping of its defense budget at 1% of its gross domestic product and its abstention from nuclear weapons).

These external bargains have facilitated internal bargains between several East Asian states and their respective societies in their formative years after 1945. Unlike their counterparts in the Middle East and Latin America, East Asian elites have turned earlier and more decisively to a strategy for regime legitimacy and survival emphasizing economic performance. After the success of this strategy by Japan and the first wave of newly industrializing countries (NICs) became evident, they were joined by others in the region (with China and Vietnam as the latest NICs). Armament and alliance fell out of favor because they contradict an export-led model of economic growth. This model's contagion in turn forged a wider regional network of economic exchanges based on self-enforcing arrangements. Some bilateral parts of this network—most obviously burgeoning commerce across the Taiwan Strait—again communicate a credible commitment to eschew violence and disruption. China's purchase of massive U.S. debt similarly signals "superfusion" and credible commitment by both sides to refrain from defection.

Credible commitment is a distinct, unifying idea for my arguments. It is especially germane to international contexts characterized by rapid and sharp power shifts (which are likely to tempt opportunistic behavior). It requires the powerful states and those that are becoming more powerful to abstain from behaving aggressively or arbitrarily. This commitment does not necessarily entail formal agreements (defense treaties and neutrality pacts have sometimes turned out to be not credible) but can be made credible by self-binding behavior in contexts where all the interested parties are fully aware of the heavy opportunity costs of defection, even if such understanding is not spelled out in writing. Whether written or not, credible commitments stand behind and sustain domestic and international bargains. Significantly, self-binding extends to a regime's pact with its important domestic constituents—such as those that have a vested stake in promoting economic growth and foreign commerce. A state's commitment to eschew aggrandizement becomes more credible to foreigners when its external policies are thus checked by its own domestic interests and coalitions. Foreigners are better able to count on this state's domestic interests and coalitions to self-mobilize against its possible external aggression.

Unlike most studies on balance of power stressing the security imperative imposed by a country's external environment, I argue that a country's security policies are not structurally determined but rather reflect choices influenced by domestic interests and institutions. Naturally, external conditions can also influence a regime's domestic agenda and coalition. This view echoes Robert Putnam's (1988) formulation of two-level games, whereby officials have to attend to both domestic and foreign considerations. When I referred above

to the interlocking nature of international and domestic bargains, Putnam's synergistic strategies naturally come to mind. Many of East Asia's initial internal bargains featured a regime agenda offering economic performance first, political rights later. These domestic deals would have been difficult to reach were it not for the political support, military protection, and economic assistance provided by the United States during the earlier years of the Cold War. East Asian states are developing new arrangements whereby they integrate and even reorient themselves with China. Mass values and attitudes in most East Asian countries favor economic growth as a national priority, suggesting that policies that jeopardize this goal, such as those that entail economic boycott or military containment of China, would face a political headwind. Therefore, international and domestic bargains interact: a regime's domestic incentives and interests affect its international relations, and vice versa.

A regime's own motivation to maintain its political legitimacy and viability returns us to the ideas of self-restraint and mutual restraint. Leaders are not myopic; they understand that behaving aggressively or arbitrarily will affect others' perceptions and incentives, inclining them to retaliate. Therefore, cooperative and competitive logics interact. Self-restraint stems from anticipation of mutual restraint—the implicit threat that states can adopt balancing policies to check another state's abuse of power. This prospective (unobserved) retaliation—such as another state's response to one's armament by counterarmament—renders bargains self-enforcing. Mutual defection, as shown by the metaphor of the prisoner's dilemma, produces a suboptimal outcome for both states. An awareness of the severe opportunity costs of armament and alliance has restrained East Asian countries from behaving according to balance-of-power reasoning. The shadow of the future disposes them to eschew balancing policies and inclines them to cooperate.

Interlocking international and domestic bargains, involving self-restraint and mutual restraint, buttress East Asia's regional stability and cooperation. The longer these bargains are sustained, the greater the prospect of continued cooperation. Ideas (especially successful ideas about the most effective strategy to secure regime legitimacy), interests (especially vested stakes in furthering returns from continued cooperation), and institutions (especially those favoring international cooperation and opposing the military–industrial complex) tend to entrench themselves over time. Therefore, in the absence of major shocks or catastrophic policy setbacks, it will become more difficult to overturn these ideas, interests, and institutions undergirding East Asia's stability and prosperity. Even though the spirit of Camelot has not yet taken hold, the ghost of Hobbes has surely receded.