

China's Reconciliatory Foreign Policy towards East Asia: An Illiberal Regime Integration into the Liberal World via Global Market System

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ABSTRACT

This research aims to examine China's foreign policy attitude toward the East Asia that has been altered dramatically since Beijing has successfully implemented the capitalist economic reform. In other words, this study focuses on China's illiberal regime socialization into the liberal-capitalist world order without requiring liberal political reform. Therefore, this study asks how Beijing's foreign policy decisions and behaviour are affected by its success in the integration of global market system? Also, how does global market integration influence constructing China's regional order via Peaceful Rise? Hence, this research emphasizes the relation between successful global market integration and China's foreign policy decision making/attitude. The research examines China's reconciliatory foreign policy towards East Asian countries in the scope of illiberal regime socialization into liberal (capitalist) world order and systemic liberal peace theories. In order to conduct the research, this study uses qualitative research based on case study and discourse analysis. This research finds that a regime's foreign policy attitude is shaped by the extent of its success in the global market integration. Consequently, successful global market integration provided socialization effect for China, however, the socialization effect remains limited in altering Chinese foreign policy behavior without providing any domestic demand for political reform.

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LIST OF ABBREVIATIONS

APEC – Asia Pacific Economic Cooperation

ARF – ASEAN Regional Forum

ASEAN – Association of Southeast Asian Nations

CCP – Chinese Communist Party

DPRK – Democratic People’s Republic of Korea

FDI – Foreign Direct Investment

FTA – Free Trade Area

IMF – International Monetary Fund

IGO – Intergovernmental or International Governmental Organizations

IO – International Organization

PRC – People’s Republic of China

ROC – Republic of China

ROK – Republic of Korea

RTA – Regional Free Trade Agreement

SIT – Social Identity Theory

UNCLOS – United Nations Conventions on the Law of the Sea

USSR – Union of Soviet Socialist Republics

INTRODUCTION

In the East Asia, although tensions escalated in Korean Peninsula, Taiwan and South China Sea, countries have not engaged military conflicts since the Sino-Vietnamese War in 1979 (Ross, 2009: 10). However, in the aftermath of the Cold War, regional trade interdependence has increased dramatically through China's integrated global market economy. In addition, in order to promote regional security and peaceful economic environment, it seems that China and regional countries cooperate with each other for avoiding conflict. This research aims to examine China's illiberal regime socialization into the liberal-capitalist world order without requiring liberal political reform. In addition, it asks why a communist-illiberal regime implements cooperative policy without challenging the existing liberal order unlike its past aggressive foreign policy orientation. In this perspective, the research will examine China's reconciliatory foreign policy towards East Asian countries in the scope of illiberal regime socialization into liberal (capitalist) world order and systemic liberal peace theories.

Before China implemented the capitalist-economic modernization in 1979, Chinese foreign policy can be characterized as passive and self-contained. This may be explained by the fact that Beijing was not involved in the international system when it comes to making rules and formulating the norms which would be fitting to China's interests. However, in the aftermath of Tiananmen Incident in 1989, Chinese foreign policy attitude changed when China began to play less confrontational, confident, more sophisticated and constructive role in East Asia and international affairs (Cruz de Castro, 2008:92). In other words, on the contrary of its Mao era, China began to implement cooperative-reconciliatory foreign policy behavior in the post-1989. It

is clear, therefore, that China became an influencing regional power in the East Asian affairs. In order to achieve being an influential regional power, China has increased its relations with regional states and engaged with organizing economic and security arrangements. The evidence seems to indicate that Beijing helped to address specific global security issues through its participation in multilateral organizations. In addition, 1990s' Chinese diplomacy has an impact on China's relation with South Korea and ASEAN countries. For this reason, Beijing's foreign policy based on pointing out political concerns of South Korea and ASEAN countries led to the emergence of goodwill between the officials of East Asian countries (Cruz de Castro, 2008: 93).

In addition, authoritarian regimes have capacity to learn from mistakes. After the demonstrations in Beijing's Tiananmen Square in 1989, Chinese Communist Party (CCP) used the rapid growth of the Chinese economy as popular legitimacy (Pei, 2012: 27-28). Additionally, the collapse of the USSR taught CCP some valuable lessons, which led CCP to carry effective policy responses to post-Cold War challenges in terms of domestic and foreign relations (Pei, 2012:30). Domestic stability is sustained through engaging the region to guarantee the economic growth. Hence, economic growth was seen essential to safeguarding domestic social stability. Thus, it could be concluded that global market integration of Chinese illiberal regime provided the main thrust for Beijing's foreign policy change in the post-Tiananmen Incident. As Breslin accurately points out that diplomatic initiatives towards region are shaped by domestic economic concerns and regime survival (Breslin, 2009: 821). In this sense, Chinese leaders realized and point out the importance of sustaining peaceful relations with countries which would be fitting for China's rapid economic development. Therefore, China has followed foreign policy to win recognition as a responsible and constructive global player (Roy, 1997: 141).

China's international behavior was shaped in a way that China has adapted to consort to existing ways of doing things when China joins international organizations (IOs). In another perspective, China is carrying a responsible behavior in the international community that does not destabilize the liberal system (Breslin, 2013: 616). Consequently, this research study emphasizes that Chinese illiberal regime achieved socialization into liberal-capitalist order (Kent, 2002) step by step via successful global market integration. This research observes that the socialization has pushed China conduct more cooperative behavior at the level of international politics, instead challenging the existing liberal order. However, this research strongly points out that despite successful global market integration and affected by capitalist-liberal norms, China remains as an authoritarian regime without political reform, but its foreign policy provides peaceful environment for regional economic and political stability because of affected by these norms. Therefore, this research finds this study as salient, because unlike systemic liberal peace theories emphasized that successful economic liberalization did not provide political reform but contributed China's foreign policy behavior change from aggressive in Mao era to reconciliatory one in present.

In the light of these arguments, *how Beijing's foreign policy decisions and behaviour are affected by its success in the integration of global market system? Also, how does global market integration influence constructing China's regional order via Peaceful Rise?* One can argue that there are four major factors that have strengthen Chinese foreign policy towards a reconciliatory one. These four factors can be examined as:

- a. China's participation in International Organizations (IOs) and joining multilateral agreements (Hao & Hou, 2009; Medeiros & Fravel, 2009; Wang, 2008; Cruz de Castro, 2006; Breslin, 2009; Breslin, 2010; Christensen, 2006; Goldsmith, 2007)

- b. Developing Chinese economic power (Cruz de Castro, 2008; Breslin, 2009; Pei, 2012; Garrison, 2005; Breslin, 2013; Naughton, 2010; Hou, 2014),
- c. Policy of being responsible power (Zoellick, 2005; Cruz de Castro, 2008; Breslin, 2009; Callahan, 2008; Breslin, 2013; Callahan, 2005; Beeson, 2009)
- d. Implementing soft power towards the region of South-east Asia (Nye, 2008; Wang, 2008; Breslin, 2009; Breslin, 2010; Garrison, 2005; Callahan, 2008; Breslin, 2011; Ringmar, 2012; Beeson, 2009).

Since the 1990s, China has deepened its bilateral relationships, joined trade and security accords, and began to participate in multilateral organizations. Deng Xiaoping's the "reform and opening" movement in the late 1970s led the Chinese diplomatic transformation. The "reform and opening" was based on facilitating economic modernization in Chinese mainland via promoting engagement with the international community (Medeiros & Fravel, 2003: 1-2). Moreover, developing economic relations in the region is regarded as a policy of establishing trust among China and regional countries through ASEAN (Breslin, 2009: 819-820). The evidence seems to indicate that relations are normalized among China and 18 countries between 1988 and 1994 (Medeiros & Fravel, 2003: 2-3). It is possible, therefore, that China managed to enhance its image and improve its economic interests via participating in IOs and Multilateral Organizations.

Moreover, Chinese leaders have recognized the fact that economic security cannot be achieved only by military means. This may be explained by the fact that China's political leadership gives credence on China's integration into the global economy. In this way, they believe that China's national security has to be established through an economic aspect. Hence, economic security can only be obtained via economic growth. With regard to this Chinese policy,

Beijing has participated in many important global and regional economic fora. Thus, these IOs and multilateral organizations pave the way to improve greater influence of Beijing over economic globalization or a kind of “managed” globalization (Cruz de Castro, 2006: 89-90).

In addition, China’s membership into the international system urges the regime to become a responsible stakeholder in the system. According to Zheng, China has responsibility to strengthen the international system via China’s success. (Zoellick, 2005: 7). In other words, China has been reflected as a “responsible great power” that does not threaten the interest of other regional countries, on the contrary, Beijing promotes regional economic prosperity (Breslin, 2009: 822). Relying on these arguments, China’s foreign policy has become less personal, less ideological, less radical, but more pragmatic and sophisticated. Therefore, the PRC’s national interests are more specifically defined. In this way, the regime behaves more realistic and flexible when it comes to follow its interests. The ongoing China’s integration into the world and international system will gradually change the Chinese foreign policy in terms of pluralization, institutionalization and professionalization. In this perspective, China’s foreign policy making is getting similar to the other democratic powers in the world (Hao & Hou, 2009: 140-141).

In 1978, capitalist economic reform was applied by Deng Xiaoping in China, which is a non-liberal regime defined by Liberal Peace Theories. However, capitalist economic reform was not accompanied with political reform, unlike Capitalist Peace Theory (Gartzke, 2007) emphasized, especially with the dramatic outcome of the Tiananmen Incident in 1989. On the one hand, affected by these economic reforms, Chinese foreign policy changed from revolutionist Mao era to reconciliatory one with characteristic of democratic regimes - aimed to establish regional economic integration, bilateral agreements and joining multilateral organizations for promoting regional security and economic stability. On the other hand, as much as affected by

liberal norms in the international community, China has remained its autocratic regime without any need of political reform. Moreover, Chinese strategy of “Peaceful Rise” underlines that Beijing (an illiberal regime) as a rising power does not threaten interests of Western states, liberal world order, but to contribute in the liberal system as being a responsible stakeholder. In the light of arguments above, in order to conduct this research, the study will follow as literature review, theoretical framework, methodology and cases.

1. LITERATURE REVIEW

In order to focus China’s socialization into the liberal world order and its reconciliatory behavior towards the region, the research will examine the global market integration’s influence on Chinese foreign policy behavior within the following structure:

- I. Review of Socialization Theories and Liberal Peace Theories (Rosato, 2003; Layne, 1994; Goldsmith, 2007; Cossa & Khanna, 1997; Goldsmith, 2014; Weede, 2004; Gartzke, 2007; Kent, 2002; Harrison, 2004;; Stephen, 2014; Checkel, 2015; Park, 2006; Snyder, 2011: 2012; Flockhart, 2006)
- II. China and historical background (Cruz de Castro, 2008; Christensen, 2006; Guoguang, 2006)
 - i. China’s active diplomacy via IOs and Multilateral Organizations (Hao & Hou, 2009; Medeiros & Fravel, 2009; Wang, 2008; Cruz de Castro, 2006; Breslin, 2009; Breslin, 2010; Christensen, 2006; Goldsmith, 2007)
 - ii. Chinese economic influence in the region (Cruz de Castro, 2008; Breslin, 2009; Pei, 2012; Garrison, 2005; Breslin, 2013; Naughton, 2010; Hou, 2014)

- iii. Chinese as a responsible great power (Zoellick, 2005; Cruz de Castro, 2008; Breslin, 2009; Callahan, 2008; Breslin, 2013; Callahan, 2005; Beeson, 2009)
- iv. Chinese soft power (Nye, 2008; Wang, 2008; Breslin, 2009; Breslin, 2010; Garrison, 2005; Callahan, 2008; Breslin, 2011; Ringmar, 2012; Beeson, 2009)

1.1. Socialization in IR and Systemic Liberal Peace Theories

First stream of literature focuses on socialization in International Relations and systemic liberal peace theories (Doyle 1983; 1986; Rosato, 2003; Layne, 1994; Weede, 2004; Gartzke, 2007; Kent, 2002, Park, 2006; Harrison, 2004; Snyder, 2012; Stephen, 2014; Flockhart, 2006; Schrettl, 2003). A number of studies in the socialisation theory in International Relations contributed on socialisation of illiberal regimes into liberal world order. In this perspective, Snyder, Park and Checkel shed light on the analyses of states existing in a community, as individuals live in society, are affected by dominant international norms and structures. In this context, in the aftermath of the collapse of the USSR, liberal order began to represent the core of the international system. However, liberal order has become a capitalist club rather than it represents democracy (Snyder, 2011, 2012). Therefore, one can argue that socialization and the diffusion of liberal norms brought competition (in capitalist means) and pacified conflict in the system with a dominant tendency.

Therefore, illiberal state actors (outsiders of the liberal core) have begun to chase membership within liberal core with encouraged by competitive economic pressure and acknowledging backwardness (Snyder, 2011), as a result they sought membership and cooperation with liberal IOs and organizations such as WTO and IMF, which led them to alter their behaviour and adopt international liberal norms. Moreover, illiberal states have changed their behaviour due to interactions and socialisation into the liberal core (Snyder, 2012). Also,

according to Gartzke, states that are integrated into global market system often avoid military violence, because market integration provides them mechanism for revelation and coercion. The evidence seems to indicate that an economically integrated state can be coerced by the threat of losing valuable exchange, however, a non-integrated provoker state does not suffer as much as former state (Gartzke, 2007).

In 1978, in order to prevent an isolation from the international community and to become close to the liberal core, China (an illiberal outsider) applied capitalist economic reform, which is a non-liberal regime defined by Liberal Peace Theories. However, capitalist economic reform was not accompanied with political reform, unlike Capitalist Peace Theory emphasized (Weede, 2004, 34-35). However, it is clear that this economic reform has changed the orientation of Chinese foreign policy behavior. This may be explained by the fact that China aimed to establish regional economic integration, bilateral agreements and joining multilateral organizations for promoting regional security and economic stability. Moreover, in order to secure what the regime has gained from market economic integration, it seems that Beijing has implemented reconciliatory foreign policy in the region to maintain its economic gains (Cossa & Khanna, 2004; Cruz de Castro, 2006; Hao & Hou, 2009; Callahan, 2008; Kim, 1991). On the other hand, as much as affected by liberal norms of the international community (based on socialization theories), China has remained its autocratic regime without any need of political reform (Breslin, 2009; Medeiros & Fravel, 2003). Moreover, Chinese strategy of “Peaceful Rise” underlines that Beijing as a rising power does not threaten interests of Western states, liberal world order, but to contribute in the system as being a responsible stakeholder (Breslin, 2009; 2010; 2011; 2013).

Since, the effect of capitalist-liberal norms limited on shaping China’s foreign policy behavior, its reconciliatory foreign policy towards East Asia cannot only be assessed with Liberal Peace Theories neither without them. However, systemic liberal peace theory may be accounted

with using socialization theory in IR. This research emphasizes that the dynamics of Chinese foreign policy are affected by socialization via dominant international liberal norms. Therefore, this socialization led the regime to integrate into the international community. Also, scholars on socialization theory emphasizes that liberal peace has socialization effect from core to outside, in which states are in a community and there is a dominant liberal value in this community. Especially, with the fall of the USSR, liberal values have become dominant in international community after the cold-war era. It is clear, therefore, that democratization of illiberal regimes and behavior change of illiberal regimes in the international liberal order are explained, but, Chinese case offers one of a kind opportunity, because, Beijing still remains authoritarian in the inside and implements cooperative/reconciliatory behavior toward regional countries within the framework of liberal world order. In other words, socialization theory may account for altering Beijing's foreign policy attitude towards the regional countries. It is likely that China's successful global market integration exposed the regime to capitalist-liberal norms. It is, therefore, likely that China desires regional economic integration that it can manipulate regional market and make regional countries to become dependent on Beijing. However, the social-constructivism and liberal approaches fail to answer Chinese case. Since, socialization theory emphasizes the socialization as a process that capitalist-liberal norms and political-liberal norms as concomitant factors of each other, China seems to partially deviate from the theory. Despite that the regime encountered with capitalist-liberal norms, it is likely that it is only altered its foreign policy attitude. In other words, the regime did not internalize the capitalist-liberal norms in the domestic politics, but only changed it regime behavior in favor of its regional capitalist-economic interests. Taken together this research aims to shed light on illiberal regime socialization into liberal world order without requiring political reform and manages to implement cooperative policy without challenging existing liberal order, unlike liberal theories emphasized.

1.2. China and its historical Background

One stream of literature focuses on China and its historical background prior to 1990s and the aftermath of 1990s. China has become the dominant diplomatic and economic power in the region of South-east Asia in the post-Deng era. During this period, the main objective of Chinese leaders was to catch up with the developed nations (Roy, 1997- 98: 141). In other words, according to socialization theory, it is demonstrated as “acceptance of backwardness” (Snyder, 2012) and seeking to get close the liberal core, trying to leave the outsider position. After the Tiananmen Square in 1989, Beijing feared from a potential international isolation. This may be partly explained by China’s “good neighbor” policy (Breslin, 2009: 819). Hence, China could reduce its tensioned regional relations. Moreover, “acceptance of backwardness” (Snyder, 2012) triggered China’s socialization into the liberal order and “good neighbor policy” (Breslin, 2009) accelerated the socialization process. In the light of these arguments this section will be examined with four sub groups as:

- i. China’s active diplomacy via IOs and Multilateral Organizations
- ii. Chinese economic influence in the region
- iii. Chinese as a responsible great power
- iv. Chinese soft power

1.2.1. China’s active diplomacy via IOs and Multilateral Organizations

According to Fravel the dynamics of domestic politics has significant effect on the change of foreign policy. In this view, he argues that in an era of regime insecurity when leaders face internal threats to their survival, leaders can use foreign policy together with domestic tools for enhancing their political security (Fravel, 2005: 52). Thus, it can be concluded that Chinese

leaders are using diplomacy to build domestic economic construction that helps them to focus on domestic challenges to stability. Hence, they prioritized engaging with the region to guarantee economic growth for maintaining domestic stability (Breslin, 2009: 821).

Since China joined the WTO, Beijing has become more active in terms of its participation in IOs and integrated itself into the global economy (Hao & Hou, 2009: 140). It seems that while China gets more integrated into the international community, Beijing has increased its bilateral relationships and joined in multilateral organizations. In this way, the Chinese reconciliatory policy gave China an opportunity to rebuild its image, protect and promote Chinese economic interests and develop its security. (Medeiros & Fravel, 2003: 1-3).

In the aftermath of 1989, it seems that Chinese leadership followed a foreign policy that allowed China's integration into the global economy and broaden national security to economic aspect. Hence, Beijing has become very adapt in enhancing its economic security by manipulating global market forces. (Cruz de Castro, 2006: 89-90). In addition, Beijing seems to prefer diplomatic and economic components to address international security concerns which military means have become less and less relevant (Cruz de Castro, 2006: 93-94). Also, as clearly pointed out by Breslin, the evidence seems to indicate that the definition of security is beyond traditional conceptions of regional security as bullets, guns, and bombs. In that context, one can argue that China's socialization via global market integration has provided stabilization the East Asia in terms of economic and politically.

1.2.2. China's economic influence toward the region

In the last two decades, the Western economic discourse –Washington Consensus- has been challenged with the rise of China which applies the doctrine of neoliberalism. The global

recession in 2007 seems to indicate that people are criticizing the effectiveness of laissez faire capitalism and contrast it with China's economic resilience (Hou, 2014: 61). In addition, the key feature of the Beijing Consensus is combination of government political control and a market economy. This may be partly explained by the fact that China's authoritarian regime can act decisive and responsive when it comes to taking decision to cut through obstacles (Naughton, 2010: 439-449). It is therefore likely that Beijing Consensus model gives thrust Chinese regime to remain illiberal based on government political control but implement liberal economic policy at international level due to market economy.

By the beginning of 2000s, East Asian states has embraced that economically China has become the major player in the region. It seems that Asian trade is thriving via China's huge market for raw materials, industry components, food and consumer products, etc. In addition East Asian states has acknowledged the fact that they need to take the advantage of their proximity to China. In this perspective, they can become an active supplier of intermediate goods and fuel in China's need for the export. Therefore, the pattern of East Asian investment enhances regional interdependence (Garrison, 2005: 25-26). In the course of growing economic interdependence in the region, China is able to prove economic incentives for the East Asian states to develop a stable framework for bilateral relations to sustain prosperity. Consequently, when it comes to Taiwan's independence, East Asian countries do not pay attention for Taiwanese independence, but they value stable economic ties with China (Garrison, 2005: 27). Thus, it could be concluded that China's market economic integration created huge economic asymmetric interdependence in the region and Beijing managed to achieve a sort of regional liberal peace based on regional market integration among different types of regimes.

1.2.3. China as a responsible great power

Zheng points out that since 1978 – China’ integrated into the international system- Chinese policy has succeeded. In this sense, from the United Nations to the WTO and from environmental arrangements to nuclear weapons, China is an active player in the system. He underscores that China is a growing country, which will influence the world in the following decades. Also, Zheng points emphasizes that China can become a responsible stakeholder. Also, he believes that China has a responsibility to enhance the international system. Therefore, China changed its standing towards the liberal order. In this sense, China does not follow anti-American ideology. Also, the CCP rule is not democratic, but it does not regard itself in a conflict against democracy (Zoellick, 2005: 6-7).

Moreover, Beijing has begun to build its reputation as a good global citizen and regional neighbor. With reflecting itself as a “responsible great power”, China demonstrates itself as an opportunity for continued regional and economic prosperity. (Breslin, 2009: 822). Also, China is trying to prove that it is not following a revolutionary state policy, but desires to be a “responsible” member of international society. Consequently, the Chinese illiberal regime has followed multilateral foreign policy, which led the PRC to expand its membership in international organizations (Callahan, 2008: 757). Moreover, emerged new security crisis in 1990s and 2000s emphasized the importance of regional cooperation mechanisms with China’s neighbors. It seems that regional cooperation was reflected as China’s national self-image as a “responsible great power” (Breslin, 2013: 620-621). The evidence from these works of scholars, China has managed to achieve, socialization into liberal world order as becoming a “responsible stake holder” (Zoellick, 2005) in order to protect its interest in the global market system through demonstrating itself as a “responsible member of international society” (Callahan, 2008).

1.2.4. Chinese soft power

Soft power is the ability to influence the preferences of others. It is therefore likely that soft power can be used through attractive personality, culture, political values and institutions, and policies that are regarded as legitimate. Nye argues that soft power requires three resources such as its cultures, its political values and its foreign policies (Nye, 2008: 94-95). Also, China realized that “if one achieves rationality, legitimacy, and the matching objectives of a hegemonic cause, one can achieve hegemony” (Wang, 2008: 267). Hence, Chinese public diplomacy built the Chinese grand strategy which is related to China’s soft power and soft rise (Wang, 2008: 267). Thus it could be concluded that Chinese soft power is one of the important components of Chinese reconciliatory foreign policy.

According to Li Mingjiang, traditional Chinese culture is the main source of the Chinese soft power. It seems that China’s appeal to harmony, peace and virtue is regarded as a cultural alternative to western individualism and materialism (Mingjiang, 2008: 292). Most importantly, it can be attractive for those countries which were suffered from western colonialism in their history (Breslin, 2009: 823- 824). Moreover, there is an ancient concept of “Tianxia¹” to understand Chinese visions of world order. In this Tianxia order, the Chinese thought unites people in the ethical logic which is cultural. In this perspective, while the West prioritizes the individuals in terms of the nation-state, in the concept of Tianxia, it orders political and social life in a top-down manner (Callahan, 2008:750-752).

¹ According to William Callahan, Tianxia is an idealized version of China’s imperial past that promotes Chinese understanding of world order vision. The Chinese order demonstrates a new type of hegemony that recreates Chinese hierarchical rule. The Tianxia order’s main objective is to critically define an anti-Western worldview in constructing a world order model (Callahan, 2008: 749-750). It promotes Chinese understanding of world order vision. The Chinese order demonstrates a new type of hegemony that recreates Chinese hierarchical rule. The Tianxia order’s main objective is to critically define an anti-Western worldview in constructing a world order model (Callahan, 2008: 749-750).

In addition, as accurately pointed out by Shambaugh, China is twenty years behind of the US in terms of technological advancement (Shambaugh, 2002). Therefore, China's strategist develops new security concept which privileges soft power rather than hard power (Beeson, 2009: 103). In this sense, China's image as a responsible power relating to peaceful rise has been beneficial for China. Consequently, East Asian states publicly discuss China in terms of positive ways (Garrison, 2005: 27-28). Taken together these arguments suggest that instead demonstrating an aggressive attitude to shape regional politics, it is likely that China uses soft power in its socialization into the liberal order in a way of providing legitimacy for its regional order.

1.3. Concluding remarks

Taken together, these arguments suggest that foreign policy behavior of illiberal regimes is shaped by features of global capitalism (Stephen, 2014), which led territorial conflicts shift to management of the global economy. In other words, socialization of illiberal regimes into liberal world order through integration of global market economy led to alter their behavior and adopt liberal international norms in the global governance (Snyder, 2011, 2012). However, this study emphasizes on system-level socialization dynamics that led to the expansion of liberal norms, but these liberal norms represent competition (capitalist means of global market system) rather than democratic values. Therefore, illiberal regimes adopted foreign policies that are forced by competitive economic pressure to seek membership within liberal core (Snyder, 2012: 34). In the light of this perspective, this research uses literatures based on China's historical background (Breslin, 2009, 2010, 2011; 2013; Callahan, 2005, 2008; Garrison, 2005; Medeiros & Fravel, 2009), which demonstrates China's socialization into the liberal world order and behaves reconciliatory-cooperative in the regional and international politics.

In this context, this research argues that Chinese illiberal regime socialization into the liberal world order has become successful, but it underscores that unlike liberal theories, on the one hand, economic liberalization was not accompanied with political reform that authoritarian regime managed to survive, on the other hand, economic liberalization has shaped Chinese foreign policy behavior has shift dramatically from aggressive Maoist era to reconciliatory one in the post-1990s. Taken together these arguments, this research aim to evaluate socialization and systemic liberal theories with examining Chinese case. Consequently, this research aims to shed light on illiberal regime socialization via global market integration into liberal world order without requiring political reform. This research emphasizes that due to Chinese economic market integration, Beijing implements reconciliatory-cooperative foreign policy behavior at the level of international politics and provides a sort of regional liberal peace via regional market integration.

2. THEORETICAL FRAMEWORK

According to the Liberal Peace Theory, liberal regimes have means to socialize political elites to take decision on the basis of liberal norms. In this sense, the norms lead nonviolent conflict resolution among liberal countries. As liberal regimes follow these norms, they implement them in the international relations. Hence, both trust and respect emerges between liberal regimes, which allow to them avoid tensions when there is a conflict of national interests among them. In another words, this mechanism can be made up as ‘norm externalization and mutual trust and respect’ in the normative logic (Rosato, 2003: 586). As clearly explained by Rosato, this logic provides explanation why liberal regimes are prepared to go to war with illiberal regimes. In the perspective of the liberal argument, illiberal regimes are not seen as trustworthy and respected, because their domestic norms are regarded as unjust and deprived

from the freedom and self-governing individuals, and most importantly, devoid of being socialized to resolve conflicts non-violently (Rosato, 2003: 586). As liberal regimes externalize their domestic norms – liberal ethos as peaceful competition, reconciliation, persuasion and compromise- illiberal externalize their domestic norms- aggression and violence. Therefore, because of the lack of mutual respect based on liberal culture in the relations between liberal and illiberal countries, it is argued that conflict between these two is very likely to happen (Layne, 1994: 10).

However, in the case of East Asia, there are a variety of regimes – democratic, non-democratic and hybrid regimes. Despite variety of regimes, which their values do not fit with each other, there hasn't been any military conflict more than two decades in the region. Since, there have been many conflicts of national interests among China and regional countries; the situation has never been escalated into an intra-state war. Therefore, the first hypothesis of this study is:

H₁: The more China creates center of gravity via regional economic integration, the more that Beijing ignores ideology/regime type in its relations with South/North Korea (Goldsmith, 2007).

Rather than focusing on regime type importance for maintaining good relations among countries, Goldsmith points out that high degree of trade interdependence is good for maintaining peace in Asia, which is linked with lower conflict (Goldsmith, 2007: 18). Within this framework, he points out that the liberal peace in Asia based on economic interdependence. Especially, economic relations between Japan and China, North and South Korea, China and East Asia are significant implication of this perspective. On the contrary, joint democracy is less likely to be a force for peace in Asia (Goldsmith, 2007: 22).

However, with the end of the Cold War, the roles of IOs, Multilateral Organizations and economic interdependence in the region has risen up dramatically. It is possible, therefore, that separation of economic, political and security issues has become impossible, because, all political and security decisions are taken related to economic implications. Thus it can be concluded that China's emergence, in terms of economically and politically, has affected in favor of the region. China is committed to economic reform in the market-oriented system, while the regime has still run with socialist Chinese characteristics. In this perspective, China seems to be decisive to participate in IOs and multilateral organizations (ASEAN, ARF and APEC), which signals that Beijing indicates its commitment to economic integration and provide peaceful solutions for regional disputes (Cossa & Khanna, 1997: 222- 223). Hence, the economic growth in East Asia will bring mutual security among countries, which will depend on peaceful commerce and integration but on arms and alliances (Cossa & Khanna, 1997: 224). Additionally, Goldsmith points out that 'the diffusion of liberal economic practices' has a positive effect on security externalities in the region (Goldsmith, 2014: 286). Taken together, the first hypothesis will be tested in the first case of this research.

In another perspective, in the socialization theory, conflict is less likely where financial markets are more integrated. It is clear that the capitalist system has led powerful network externalities between states. Outsiders, such as China, are led to pursue integration strategies, because there are benefits to join capitalist order. Hence, socialization is a process by which actors are inducted into a group adopting the rules and norms of a group community (Snyder, 2012: 35). Especially in the aftermath of 1990, with the fall of communism, the evidence from socialization literature indicates that capitalism and economic integration have been the dominant norms, which provided illiberal regime socialization into the international community.



Figure 1: China's successful socialization into the liberal order (revised from Park, 2006: 340)

Taken together, social-constructivism suggests that China's socialization into liberal order via 4 steps of socialization (Kent, 2002). In the case of China, according to the socialization theory (Kent, 2002), after the (1) denial stage of the anti-liberal order Maoist era, the regime successfully implemented capitalist economic reform (1978) as an outsider that sought to join capitalist club through the stage (2) of strategic bargaining and tactical concessions. In contrary to systematic liberal peace arguments, economic liberalization was not accompanied with political reform in the aftermath of the Tiananmen Incident (1989). However, the socialization effect of liberal peace shaped Chinese foreign policy in 1990s and 2000s through following regional economic integration and joining multilateral organization in order to prevent isolation after the Tiananmen Incident. Thus, China reaches stage (3) of adherence. Therefore, China began to demonstrate itself as a responsible actor in the international system which does not threaten liberal world order. Hence, China is moving to the stage of (4) habitualization to international

liberal norms. In this perspective, China remained as illiberal regime and managed to achieve socialization into the liberal system with cooperating liberal IOs via successful market integration rather than challenging the system.

H₂: The more China is integrated into the global market system, the more it will pursue peaceful relations in its region and become closer to liberal order (Goldsmith, 2014).

Moreover, increased volumes of trade among East Asian countries, it leads to avoid the chances of conflict tensions between these countries. However, Goldsmith argues that Chinese economic orientation in 1978, during the era of Deng Xiaoping, had a significant impact on intraregional trade flow. Additionally, China's size and the level of development led Beijing to compete with other less-developed exporting regional states. As no other region has ever experienced such trade-flow increase, East Asia has exhibited the greatest decrease in serious interstate conflict (Goldsmith, 2014: 276). The evidence from Goldsmith suggests that China's adoption of economic led growth and developmental state policies gave the expansion of trading-state practices, which is based on the mechanism of competition. Hence, the increased competition between China and East Asian states made Beijing an important export market for the regional states (Goldsmith, 2014: 279). In addition, it is likely that political behavior in 1990s was shaped by structural features of global capitalism. In other words, focus of conflicts is shifted from territorial issues to the management of the global economy (Stephen, 2014: 913).

However, globalization remarks to global economic interdependence. According to Erich Weede, the economic benefits of both globalization and free trade are less important than the international security benefits. On the one hand, as illiberal governments are regarded in a state of aggression with their own people, as it is their domestic norm, it is expected that their foreign

policies would be also aggressive (Weede, 1996: 29). On the other hand, bilateral trade reduces the chances of emergence of war between countries, which signifies commercial relations have a stronger impact on the interstate relation that pacifies the impact of democracy. Taken together these arguments, several studies in this area demonstrated that the pacifying impact of trade is reducing the risk of military conflict. In the context of this field, Gartzke and Li brought forward the idea that capital market integration might be more effective in reducing the chance of military conflict comparing to integration of goods markets or trade (Weede, 1996: 32-33). Consequently, the second hypothesis will be tested in the case – “Chinese policy towards Taiwan and Maritime issues”.

Also, Weede points out that it is the positive political externalities of economic globalization which respond to political crisis in a region. The globalization makes leaders to pursue maintaining economic stability, which leads to reduce the need for military contests among countries. However, Weede believes that the pacifying effect of trade is strong as much as democracy, because these effects contribute to prosperity and capitalism which ensures democracy, hence, in the long run, he believes that the democratic peace theory would prevail. But, on the one hand, China is increasingly dependent on the existing frameworks of global governance. On the other hand, it has statist forms of capitalist development and individualist tenet of governance. This situation leads to emerge a hybrid order, in which transnational integration emerges between Chinese non-liberal regime and liberal regimes, causes erosion of global governance’s liberal principles (Stephen, 2012: 915). Thus, it could be concluded that as long as China remains authoritarian-illiberal, Weede’s argument on capitalism’s effect strong as democracy is not valid. It is possible, therefore, that democracy and capitalism are separable.

In addition, the ‘ideational life-cycle model’ (Marcussen, 2000) utilizes a combination of

social constructivist theories for ideational change with agent-state level theories from social psychology (Flockhart, 2006: 91). In this model, the social identity theory (SIT) and associated self and other categorization is examined under socialization process. Consequently, in the post-Cold War, this ideational change emerged from the constituent norm set of liberal-capitalist club, defined by individual freedoms, civil liberties and political reform in line with the integration into global market economy. This may be explained by the fact that states existing in a community of states as much as an individual existing in a community of individuals. Therefore, from the SIT perspective social group plays an important role on individual and defines individuals' roles and behaviors in their existing society. Thus it could be concluded that the SIT can be examined on states and their regime behavior in existing international liberal order.

Taken together, these arguments results that states attach high value to the international community and their membership of IGOs and IOs. Consequently, states' membership in international community provides norms and values to compare and assess themselves in comparison to the exiting states. In the post-Cold War era, it is likely that capitalist-liberal norms and values to the 'significant we' group of states and 'the other' refers to the group of states that reject capitalist-liberal norms of the international community. Consequently, this research emphasizes that states constitute a hierarchical system of international community, where a state perceives the most highly valued group as its 'significant we' makes effort to move toward membership of that group (Flockhart, 2006: 94). If it fails to move towards 'significant we', it would move towards 'the other' group of states. In the light of these arguments, this research emphasizes that Chinese illiberal regime has managed to move towards the 'significant we' through successful implantation of global market economy and orienting itself in the existing liberal order.

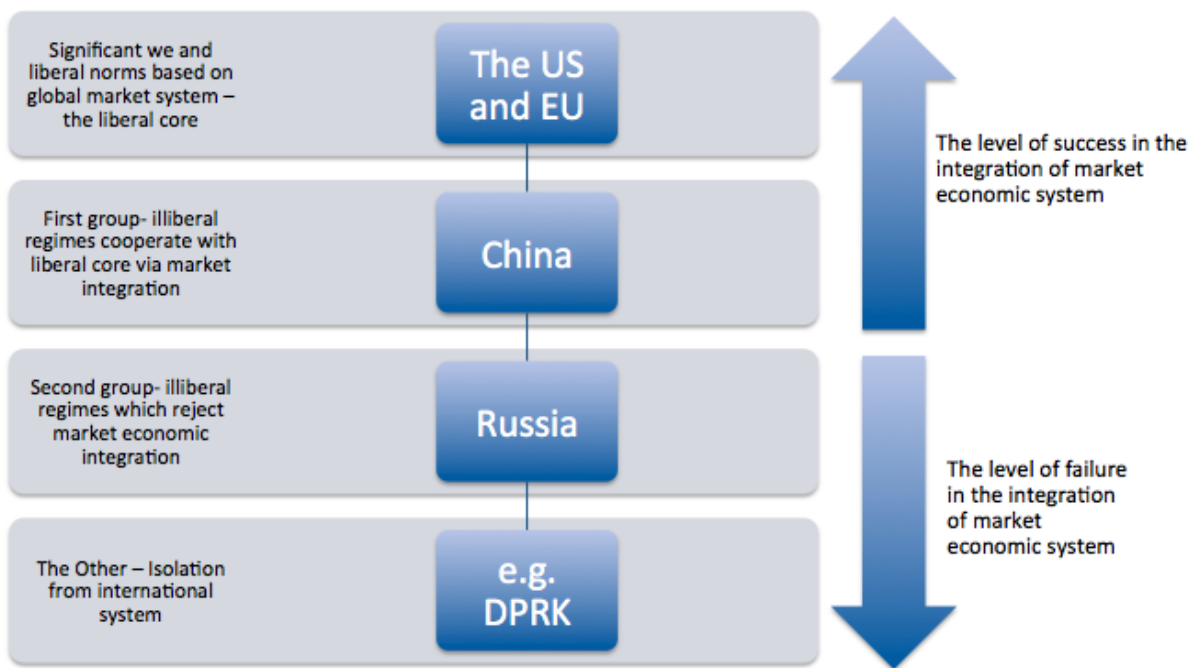


Figure 2: “Significant we” and the “other” categorization in the socialization process of illiberal regimes (revised from Flockhart, 2006: 95)

In sum, this study leads to hypothesis:

H₃: The more positive political externalities of economic globalization increases, the more likely the China adopts reconciliatory policy toward the region and become closer to the ‘significant we’ (Flockhart, 2006).

For the reasons given, one can argue that China’s foreign policy, which demonstrates under the ideology of China’s peaceful rise, indicated China as a responsible great power (Beeson, 2009: 104). In this sense, it seems that Beijing is determined to seek regional economic stability and security through participating in IOs and Multilateral Organizations (Cruz de Castro, 2006: 89-90). Therefore, military means are no longer concern for providing regional security rather than enhancing economic security through economic cooperation with regional countries through

bilateral agreements, ASEAN and FTAs (Cruz de Castor, 2006: 93-94). Additionally, while China aims to enhance its economic influence in the region, it seems that China is determined to implement its soft power toward the region rather than hard power (Beeson, 2009: 103). Therefore, the third hypothesis will be tested in the third case – China’s engagement with ASEAN.

With the examining of the last three decades, despite the variety of regimes in the East Asia, there hasn’t been a major interstate war in the region. However, in the aftermath of the Cold War, the relations among China and regional countries have been improved significantly due to trade interdependence based on China’s export engine. With consideration of these arguments, this study points out that systemic liberal peace theory does not provide complete respond to the Chinese case. In the perspective of this theory, socialization effect of liberal order has transformed China’s illiberal regime via global market integration that led China to prioritize regional market integration, security and cooperation. In other words, China’s successful market integration led Beijing to establish a state of liberal peace among East Asian countries through promoting regional market integration. However, this socialization effect of systemic liberal peace theory did have any effect on domestic policies. Consequently, this research examines on the socialization effect systemic liberal peace on international politics and hence, it argues that the effect of successful global market integration on international and domestic politics is separable.

In addition to systemic liberal peace theories, which they ignore, socialization points out that the state power exercise has been change with the change of great game nature. This change began with world market shares and greater economic security became more important than the value of land-based resources. Therefore, the scope of hegemony depended on the reach of

geopolitical and military force (Stephen, 2012: 913-914). Hence, capitalism became a form of domination rather than democratization. However, unless China does not implement political reform, the case challenges liberal peace theories and therefore must be refined to explain this case. If the hypotheses that were mentioned at above are true, the research will be demonstrating that *Liberal peace can be achieved among countries – no matter their regime types- through global market economic integration without requiring democratic reform in a non-liberal country*. Taken together, this research leads to hypothesis that will be tested in the first and second cases:

H₄: The more China is integrated into global market system without implementing political reforms, the more likely that capitalism underwrites democracy through the pacifying effects of trade.

Taken together, the fourth hypothesis will be examined in each cases along with the first and second hypotheses in the cases of ‘China’s policy towards Korean Peninsula’ and ‘Chinese policy towards Taiwan and Maritime Issues’.

3. METHODOLOGY

This research study relies on qualitative method. Case selection, discourse analysis and qualitative content analysis implement a method, which enables for evaluating and discovering future perspectives of Chinese reconciliatory foreign policy in the region of East Asia.

3.1. Case Selection

In International Relations (IR), qualitative method generally means a research on one or a few foreign policies, with a decision making process, which is to be monitored at the micro-

historical level (Klotz, 2008: 43). In this perspective, Chinese economic influence through global market system in the region, participation in International Organizations (IOs) and Multilateral Organizations, China as a responsible power, and Chinese soft power are units of analyses. These units of analyses will be assessed with historical evaluation at a higher level of aggregation, for instance, macro-historical changes in Chinese foreign policy towards the Southeast Asia from 1990s to the present.

In order to justify the research, there will be three cases of study in this thesis. These are:

- 1) China's policy towards the Korean Peninsula
- 2) Chinese policy towards Taiwan and maritime disputes
- 3) China's engagement with ASEAN

Taken together, aforementioned cases will provide basis for assessing the socialization process of Chinese foreign policy behavior. Hence, this research will be able to examine why China altered its foreign policy behavior. It is, therefore, likely that China's engagement towards Korean Peninsula, Taiwan and maritime disputes, and ASEAN demonstrate in common that China used to implement aggressive behavior, however, it has altered dramatically towards reconciliatory. Taken together, the research finds these three cases as salient that shares common feature. The research will emphasize that capitalist-economic reform has altered Chinese foreign policies in each three cases. As these aforementioned cases fit for the research's theoretical framework, it will provide basis for testing this study's four hypotheses. These three cases will help to evaluate the research's constitutive claim, which is the role of Chinese reconciliatory policy enhances regional stability of economic and security.

3.2 Discourse Analysis

Discourse analysis can be called as representations, literally re-presented. Representations become a set of statements and practices through which specific language becomes institutionalized and normalized in time (Neumann, 2008: 61). In this perspective, discourse analysis seeks to find the changes in representations of reality. With this qualitative method, the research can be done over why China demonstrates a reconciliatory foreign policy in the Southeast Asia, how this policy was emerged and how these are regarded from the perspective of regional decision makers. Discourse analysis can begin with a specific outcome and preconditions for it happening (Neumann, 2008: 62-63).

In this perspective, this research will be using this method through China's peaceful rise ideology with its specific outcome and its preconditions for it happening. In order to conduct discourse analysis and answer the research question, first, this research delimits texts, which show up as anchor points such as China's participation in IOs, its economic influence, responsible great power mentality and China's ASEAN engagement. Second, the task of discourse analysis is to find out representations and asymmetries between each other. This study analyses the inherent conflict between representations (Neumann, 2008: 70-71). In this perspective, reading monuments in Chinese foreign policy discourse provides adversarial representations, such as China as a threat and China's peaceful rise arguments. Third, this research draws up a model of Chinese reconciliatory foreign policy discourse on South-east Asia, on four layers: basic concepts (participation in IOs, Multilateral Organizations and establishing economic influence), general policy orientation (Chinese public policy from 1990s to the present) and concrete historical examples (adoption of market economy principles in Deng's era, resolution of territorial disputes, economic and political agreements and treaties). In this way,

discourse analysis will be useful for understanding how international environment produced China's reconciliatory foreign policy and then decided to uphold responsible great power mentality toward the Southeast Asia.

This research will follow to examine three cases such as (1) China's policy towards Korean Peninsula, (2) China's foreign policy towards Taiwan and maritime issues and (3) China's engagement with ASEAN.

4. CHINA'S POLICY TOWARDS KOREAN PENINSULA

In the aftermath of the end of the Cold War, military and ideological factors lost their importance in terms of establishing relations among countries. However, economic interdependence and political harmonization have become more important. In addition, major powers, such as the United States, Russia, China and Japan, have promoted their national interests through political and economic mean that enhanced peaceful and stable situation on the Korean Peninsula (Hao & Quibing, 1992: 1138). Consequently, this research argues that China's socialization into the liberal order via global market integration provided Beijing's policy change towards the peninsula. Hence, one can argue that China's socialization led Beijing to not to support Pyongyang as it used to be and cooperate with Seoul as an important regional partner for dealing with political, economic and security issues.

In addition, the PRC altered its foreign policy attitude on Korean peninsula from "one-sided" Korea policy to "equal distance" diplomacy after the 1989 Tiananmen Square incident (Wang, 1999: 168). This change of the Korean policy and the normalization between China and South Korea provided new opportunities, challenges and dilemmas for the relations in the Korean Peninsula. On the one hand, DPRK regime, which regarded China's opening policy and its

recognition of ROK as betrayal, has a failed economy that is heavily dependent on China. On the other hand, there is a significant growth of economic relations between South Korea and China (Snyder, 2009: 1-2). Consequently, one can argue that the peninsula's political and economic future depending on the success of China's relationship with two Korean states.

In addition, China has developed a regional strategy generally based on (1) increasing economic cooperation among East Asian countries, (2) providing peaceful and stable regional environment and promoting security environment on the Korean Peninsula (Jisi, 2004: 6). Consequently, at the end of the 20th century, the main aim of the China's basic strategy had become maintaining the political stability under the CCP rule and providing a peaceful international order which would be beneficial for Chinese economic modernization via regional market integration with East Asian countries. Consequently, PRC's "grand strategy" includes domestic and external security through political, economic and cultural. Therefore, Beijing desires to hold a great power responsibility in the region in order to provide "just and rational" security order. Hence, PRC can achieve the role of being a "rightful balancer" for the regional security (Wang, 1999: 171- 172). Since 1990s, China made effort in order to develop its reputation as a "responsible great power" (Breslin, 2009: 821) and promote regional economic development through regional market integration.

Consequently, China's regional strategy provided a balanced relationship with the North Korea (DPRK) and the South Korea (ROK) with depending on economics means to secure a regional power balance (Hao & Quibing, 1992: 1139) rather than military means. In 1992, Beijing's recognition of Seoul provided China to add a new dimension on balance of power on the Korean peninsula with finalizing its new Korean policy (Wang, 1999: 168). Therefore, the question becomes to what extent China's successful global market integration affected its policy

towards Korean Peninsula in the aftermath of the Cold War. This research aims to analyze the dynamics which has affected China's foreign policy towards Korean peninsula. Therefore, this section of the research examines how Sino-North Korean and Sino-South Korean relations changed after 1990s due to China's economic and political interests.

In addition, this section of the research will assess China's foreign policy change towards Korean Peninsula and how Beijing maintains its relation with Pyongyang and Seoul in terms of economic, political and security issues. In this way, this section of the research will assess these hypotheses:

H₁: The more China creates center of gravity via regional economic integration, the more that Beijing ignores ideology/regime type in its relations with South/North Korea.

H₄: The more China is integrated into global market system without implementing political reforms, the more likely that capitalism underwrites democracy through the pacifying effects of trade.

In the following sections, the research will focus first on China's economic influence on Korean Peninsula and East Asia. Secondly, the analysis will be moved on Beijing's grand strategy based on China being a responsible great power and how it has an impact on the balance of power in the region. Consequently, this research will examine China's foreign policy towards the Korean Peninsula based on economic, political and security issues since 1990s.

4.1. China's economic influence on Korean Peninsula and East Asia

In the aftermath of 1990s, CCP strengthened its power in the country and promotes efforts for cooperation in abroad (Fravel, 2005: 52). Moreover, there were two main Chinese policies to overcome these challenges: 1) enhancing trade and investment to boost economic development

and 2) decreasing external tensions to compose domestic resources (Fravel, 2005: 54). In addition, the rapid development and growth of Chinese economy has become more integrated into the global market economy (Jisi, 2004: 4). It is clear, therefore, that economic growth via regional market integration is a key for Chinese regime stability inside and its security in the region. In other words, China's socialization into liberal world via global market integration forced Beijing to implement strategic bargaining and tactical concession (the second step of socialization) in the regional politics.

In addition to Chinese economic growth via regional market integration, China has managed to manipulate regional market forces. Thus it could be concluded that Beijing has become very competent in enhancing its economic security. In this perspective, Regional Free Trade Arrangements (RTAs) are significantly important for integrating Chinese economy into East Asian economies. Hence, Beijing believes that its export led economy can be fostered with establishing economic harmonization in the region via institutional arrangements. (Cruz de Castro, 2006: 90). It is therefore likely that in parallel with Chinese economic growth, Beijing seeks to make regional countries dependent on its export-led economy through regional market integration. Consequently, it seems that China's increasing share of world network exports (see the figure below) can be pointed out that Beijing aims to strengthen export-led economy through regional market integration.

All together now

Developing East Asia, share of world network* exports, %

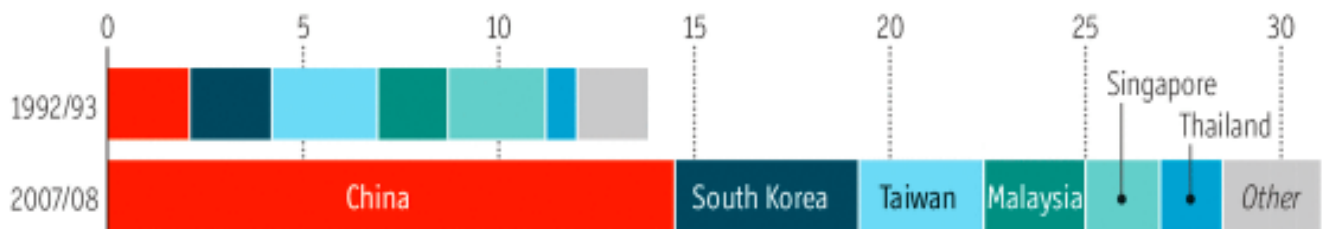


Figure 3: Chinese economic growth and regional market integration² (The Economist, 2014)

As clearly pointed out by Breslin “expanding economic relations in the region is seen as a way establishing trust with China’s neighbors, and in the long run, ensuring the region’s economic future is dependent on what happens in China” (Breslin, 2009: 820). In addition, established bilateral economic arrangements between China and regional countries have developed this economic reality. Hence, this reality provides access to Chinese markets to friendly countries in the region. Therefore, utilizing the current multilateral structures provide a kind of leverage for a “commercial policy” which Beijing uses to compete against Japan and the United States for the dominance in the region (Breslin, 2009: 820).

Moreover, in 1990, China initiated the Tumen River Delta Project with Russia and North Korea. It seems that, in this project, Beijing aimed to establish special trade zones with providing coordination in their policies, procedures and administration. In addition, the project aimed to establish a special economic zone with joint administration which would lead establishment of industrial areas, office and housing areas (Zhu, 1996: 99- 100). Hence, Chinese foreign policy-making focuses on security norms rather than military means (Breslin, 2010: 718). In this perspective, one can argue that China hopes to seek regional security through economic

²See the Chinese economic growth and regional market integration detailed in this link: <http://www.economist.com/news/special-report/21631799-asia-has-built-web-economic-interdependence-which-china-would-be-ill-advised>

cooperation in East Asia. Therefore, one can argue that positive externalities of Chinese successful global market integration has been influencing the region's economic and security conditions, hence it influences China's foreign policy behavior.

In addition to the China's socialization process, Beijing improved its political and economic influence on North Korea with replacing Pyongyang's main trade partner. The evidence from socialization perspective, China has begun to implement a constructive role towards the peninsula. Hence, in 1990, China managed to convince North Korea to join the United Nations along with South Korea (Bedeski, 1995:534). In addition, Beijing urges North Korea to reform its economy and provide foreign investment. As North Korea is regarded as "strategic shield" of the northeastern part of China, it is seen as an important buffer zone. Consequently, Beijing believes that in order to save the regime in Pyongyang, North Korean leaders have to follow the Chinese economic model. In this way, Pyongyang can to achieve the way out from the international isolation (Bedeski, 1995:535) as once Beijing achieved in the post Tiananmen incident.

However, despite China's huge economic influence on the region, Chinese unconditional engagement has not led any transformation in the Korean Peninsula. China's economic policies toward DPRK are in concordance with ROK engagement policies more than a decade. However, North Korea has become a huge burden on Beijing in terms of economically, which is not willing to transform its economic structure. On the contrary, the regime requires more subsidies from PRC in order to maintain its survival (Snyder, 2009: 13). In the light of these arguments, as Snyder and Bedeski pointed out clearly, it is likely that the DPRK has become a burden and in order to save the regime, its economy has to implement an economic opening. Hence, this case demonstrates that China has been trying to convince Pyongyang to implement its state-led

capitalist reform, so the DPRK could socialize into the system in the long run. In return, regional security and economic relations could be stabled.

After the recognition of ROK by China in 1992, trade between two countries surpassed \$ 12 billion by 1994, within two years. The main reason for this rise is the establishment diplomatic relations and Chinese cheap labor costs (Bedeski, 1995: 531). By the year 2014, South Korea has become the fourth largest market of China's economy with the trade reached \$ 274.24 billion (February 2014, Daily China). However, although successful economic relations between the PRC and the ROK, the economic engagement has not resulted in success for transforming the ROK's security policy in the region. It seems that China's increasing political and economic influence on South Korea is not enough to overcome its ongoing security alliance with the United States, because of the political challenges between the PRC and the ROK and South Korean security concerns related to overdependence on Beijing (Snyder, 2009: 14). Taken together, it is likely that Chinese aims to increase its economic ties with South Korea in the course of regional economic integration. Therefore, it is likely that Beijing ignores ideology or regime type in its relations with North Korea and South Korea.

4.2. China as a Responsible Power towards Korean Peninsula and East Asia

In the aftermath of the China's membership of the WTO, China has increased its participation and involvement in IOs and multilateral organization (Hao & Hou, 2009: 140). The changing attitude of China for IOs and regional organizations emerged due to economic security understandings; also it is part of power politics and regional competition considerations (Breslin, 2010: 710). In this way, China has begun to take a more constructive approach toward East Asia and global affairs (Medeiros & Fravel, 2003: 1). Consequently, Beijing has changed its political

policies towards Korean Peninsula and the region. In other words, one can argue that China's socialization process in the aftermath of the second stage (strategic bargaining and tactical concession) also influenced China's foreign policy change towards the peninsula.

In the post-1990s, within the understanding of great power ideology, the Chinese public diplomacy has two roles. These are: (1) functioning of defensive reasons and strategic thinking and (2) enabling China's rise to soft power. Taken together, these results suggest that China demonstrates itself on the way of peaceful development. In this perspective, China's rapid growth economy and political development attract the attention and interest of the world. Hence, the countries in the region desire and encourage China to be a more responsible stakeholder in the international system (Wang, 2008: 263-264). On the track of modernization, pure party-line ideology was left behind; instead the ideology, economic interest and regional security took the position of primary value in the Chinese politics. Rather than Mao's revolutionary way of politics and the ideological struggle in the PRC's past, rational application of economic means and the requirement of technology and science were emphasized (Kim, 1991:108). It is, therefore, possible that China has demonstrated itself to the world that Beijing no longer acts like a revolutionary state which challenges and rivals the existing international system, but the PRC is a responsible member of the international society (Callahan, 2008: 757).

In addition, Chinese leaders were disturbed by North Korean aggressive policies in the region; therefore, Beijing declared that it no longer has the obligation to support Pyongyang militarily, if the DPRK attacks South Korea (Glasser & Billingsley, 2012: 7). This may be explain the fact that that the more Pyongyang is determined to continue on nuclear program, because it harms China's peaceful environment which it needs most, and therefore, China's national interest aims to ensure denuclearization of the Korean Peninsula. According to Mr.

Zheng³, all nations use diplomacy for enhancing their national interest. However, responsible stakeholders go beyond recognizing the international system, which maintains their peaceful prosperity; in return they make an effort to sustain the system. Within China's foreign policy, the PRC has many opportunities to be a responsible stakeholder. In this perspective, the problem of North Korea gives one of a kind opportunity to China (Zoellick, 2005: 10). In the late 1980s, the Chinese foreign policy calculations brought China to follow a peaceful and independent foreign policy toward Korean Peninsula. The first basic requirement of this policy was maintaining the existing balance and maintaining regional stability. Second requirement was sustaining bilateral relations with Pyongyang in a way that would not affect Beijing's relations with Tokyo and Washington in unfavorable terms (Yufan, 1987: 874).

However, one can argue that China's focus on its relations with Tokyo and Washington has become more important than it was in the late 1980s. Especially, in 2003, China's initiative to host the Six-Party Talks, in which China played a constructive role. In 2005, China achieved a Joint Statement of Principles, which emphasizes that the main goal of verifiable denuclearization of the Korean Peninsula in a peaceful manner. But, it is hard for China to encourage Pyongyang to implement the agreement. Moreover, the problem with Pyongyang is not just about denuclearization, but broad economic and political reform. As North Korea has become a threat to the region, it poses threat to itself as well. Therefore, Beijing aims to provide help to move from armistice to a true peace on the Korean Peninsula with regional development and security (Zoellick, 2005: 10-11).

³ Zheng Bijian was ranked as 44th in the Foreign Policy top 100 global thinkers in 2010 (http://foreignpolicy.com/2010/11/23/the-fp-top-100-global-thinkers-5/?wp_login_redirect=0). In addition, He has been a longtime advisor to Chinese leadership and the author of the "China's 'Peaceful Rise' to Great-Power Status" (<https://www.foreignaffairs.com/articles/asia/2005-09-01/chinas-peaceful-rise-great-power-status>).

Mr. Zheng points out that China has strong interest to stop the proliferation of weapons of mass destruction and missiles of North Korea. The reason for the China's policy is that the danger can undermine the benign of security environment, and most importantly, healthy international economy, which China needs in order to develop its economy (Zoellick, 2005: 11). As nuclear North Korea may seriously damage the regional stability required for China's economic growth, security concerns toward Korean Peninsula have revitalized Beijing to have more active policy (Wu, 2010: 36).

In 1994, President Jiang Zemin pointed out that China supports a solution on nuclear issue that results from full participation all the involved parties. Additionally, he underlined that sanction on North Korea would only complicate the current situation in the Korean Peninsula. However, on the one hand, Beijing supports Pyongyang on political and security issues. On the other hand, the PRC promotes economic and cultural cooperation with South Korea. It seems that there is a dilemma in China's foreign policy. While current political issues focus on maintaining socialism and nationalism, Chinese politics is also included economic issues that improve openness and mutual interaction with other countries. In this perspective Beijing follows a balance of power through Chinese traditional diplomacy. However, South Korea and Japan believes that China's action may force Pyongyang to change its policy, as Beijing provides 75 per cent of Pyongyang's oil and food imports (Bedeski, 1995: 529- 530). In addition, in 1994, before the visit of the US President Jimmy Carter to Pyongyang, the Chinese foreign minister told the North Korean ambassador that Pyongyang cannot rely on Chinese support indefinitely in its challenge against the US over North Korean proliferation of nuclear weapons (Bedeski, 1995: 530-531).

Moreover, Pyongyang's attempt to possess a nuclear deterrent brings risks to disturb East Asia's nuclear balance. As a North Korean nuclear bomb jeopardizes long-term stability in the region, it may trigger acquirement of nuclear weapons by Japan, South Korea and Taiwan in order to defend them. Including the fact that China has already three nuclear neighbors – Russia, India and Pakistan- a nuclear race would bring a volatile situation for China's foreign policy. As accurately pointed by Friedberg, it is likely that all of these possible events may influence behavior of the United States. A possible nuclear shockwave in the future, with a rapid multifaceted expansion in nuclear capabilities, there can be irreversible dangers of misperception, miscalculation and war (Friedberg, 1993-94: 25).

However, in the reality, one can argue that this perspective has a dangerous ground. About South Korea, a disclosure in 2004, South Korea carried bomb-grade nuclear enrichment experience in 2000 and Seoul also had a nuclear research in the early 1980s. Moreover, Japan's technological advancement indicates that it can easily achieve to possess nuclear weapons. Also, in August 2004, a Taipei Times editorial proposed that Taiwan should have nuclear weapons that can annihilate ten largest cities in Chinese mainland, which troubles Beijing (Wu, 2010: 38). In April 2013, PRC officially declared that China aims to follow a foreign policy of peace, stability and denuclearization by China's Foreign Affairs spokesman Hong Let. Moreover, he pointed out that China is determined to "push forward the denuclearization process" (Scobell & Cozad, 2014: 54). However, in another perspective, China has been seen as more interested in manipulating the situation in Korean Peninsula to increase its own influence rather than dissolving the nuclear problem. Within this point of view, it reflects China's traditional hegemonic attitude toward East Asia. Therefore, if Beijing is sincere with the policy of nonproliferation of nuclear weapons in Korean Peninsula, PRC must support sanctions against DPRK (Bedeski, 1995: 522-523). Taken

together, it is likely that escalation of tensions in the Korean Peninsula jeopardizes the Chinese ambition for regional market integration. Therefore, one can argue that China adopts responsible great power attitude in order to increase the regional economic integration that would make regional countries to become dependent on Beijing. Since, China has become a center of economic gravity of East Asian market, it seems that Beijing does not regard ideology or regime type in its foreign policy approach towards the region.

4.3. Concluding Remarks

It seems that the extent of China's ability to utilize its economic interdependence on the DPRK and ROK as leverage for maintaining regional stability and providing peace on the Korean Peninsula. However, China might not have fully succeeded in its policy, but it is likely that China is using the economic interdependence against other countries without differentiating regime types. By following this regional policy, one can argue that China has altered its foreign policy attitude. In other words, China used to pursue pro-Pyongyang policies in the Peninsula, however, due to China's economic success in the global market integration, Beijing does not regard ideology or regime type as an important factor in its foreign policy approach towards the region. In the relations between Beijing and Pyongyang, China uses the economic assistance as leverage for opening high-level political influence. Hence, Beijing aims to convince the North Korean regime to follow economic reforms in the direction of Chinese economic model. However, despite Chinese efforts to convince Kim-II Sung and Kim Jong Il through repeated visits to show benefits of Chinese opening and reform made hopeful expectations, there hasn't been enough steps taken in this path (Snyder, 2009: 13-14).

The evidence seems to indicate that all these Chinese efforts to convince Pyongyang regime

indicates the Chinese economic interests in the region and Beijing has been trying to reduce regional tensions with providing economic opening to the DPRK. Taken together, these results suggest that China does not regard regime type as an important factor for foreign policy decision-making as it used to be. The Chinese case demonstrates that the extent of successful global market integration of a regime can affect interstate relations in East Asia. In addition, this research observes the second stage of “strategic bargaining and tactical concessions” (Kent, 2002) in China’s socialization into the liberal order. Consequently, this research emphasizes that China has been affected by capitalist-liberal norms in the international system and applied opening reform without political reform. The evidence from this perspective indicates that Beijing’s foreign policy towards Korean Peninsula diverted from the Maoist era. This research finds this case salient as China has encouraged the DPRK to implement opening without political reform. In other words, Beijing desires Pyongyang move from the first stage of denial and socialize into the international system with Chinese way. In addition to Beijing’s policy towards Pyongyang, the CCP desires to maintain the current North Korean authoritarian regime but initiate North Korea to open its economy to global market. Consequently, the case demonstrates that China is integrated into global market system without implementing political reforms and Beijing desires Pyongyang to follow a same model. In other words, the moment that the DPRK opens its economy, it would be likely that the DPRK encounters with the pacifying effects of trade and will be forced to follow less aggressive policy as CCP desires. Hence, it is likely that capitalism underwrites democracy through the pacifying effects of trade.

In the light of these arguments, China’s growing economic influence integrated market system leads Beijing to support regional stability in the region. It is likely that in the long run, gradually, China aims to change North Korean economy through its economic influence, despite

there is not much sign that Pyongyang is willing to transform its economy into Chinese economic model. However, the long-term Chinese national interests show that the PRC needs peaceful regional environment for its growing global market integrated economy. Within this scope, all Chinese economic incentives in the region emphasizes that China seeks regional security through economic cooperation. Correspondingly to Chinese foreign policy, North Korea's closed economic system and endangering the regional security harm Chinese interests. Taken together, it seems that China is committed to its global market integration and encourages Pyongyang to follow its model that may result in maintaining the DPRK regime but change its foreign policy attitude via pacifying effects of trade.

5. CHINESE POLICY TOWARDS TAIWAN AND MARITIME ISSUES

In terms of China's socialization into liberal world order via global market integration, it seems that Beijing's foreign policy behavior towards Taiwan and maritime issues demonstrates the level of success in its integration into the existing liberal order. Consequently, this chapter argues that positive externality of capitalist-liberal norms in the international community influences China's behavior towards Taiwan. In other words, increasing economic relations and gains between two sides decreases the chances of conflict. This research emphasizes that China has been following a unification policy towards Taiwan with the examples of Hong Kong and Macau. Hence, on the contrary of Maoist aggressive policies, China underlines its reconciliatory policy towards Taiwan with one 'China and two systems' diplomatic rhetoric. In addition, this research points that the region has not encountered with an armed conflict within the last 30 years.

This chapter observes the third stage of ‘adherence’ (Kent, 2002) in the scope of China’s socialization into the liberal order. Consequently, it will examine the maritime disputes in the South China Sea. Moreover, this research will focus on economic cooperation and regional market integration among countries in East Asia. Taken together, this socialization process will be assessed under China’s relation with Taiwan and its involvement in maritime disputes in terms of regional economic integration. Hence, it asks how does successful global market integration influence China’s foreign policy towards Taiwan and maritime disputes? In the light of these arguments, this chapter will assess the second and fourth hypotheses:

H₂: The more China is integrated into the global market system, the more it will pursue peaceful relations in its region and become closer to liberal order.

H₄: The more China is integrated into global market system without implementing political reforms, the more likely that capitalism underwrites democracy through the pacifying effects of trade.

5.1. China’s policy towards Taiwan

China has always been critical in regard of Taiwan case. As Mao Zedong’s goal of establishing an egalitarian social order had been abandoned, Beijing has increased its legitimacy via achieving the goal of unification and remaining in line with Chinese nationalist sentiments (Yu, 1999: 39). Hence, it is clear that Taiwan is the most crucial issue for the CCP’s legitimacy in China. As a possible future independence of Taiwan not dealt militarily, it would undercut the CCP’s legitimacy in terms of other troubling cases such as Tibet, Xinjiang and Inner Mongolia (Yu, 1999: 40). However, although expectations from China’s missile test aggression towards Taiwan in 1995, Chinese President Jiang Zemin called Taiwan to implement political negotiation

and offered the possibility of moving an agreement to end the state of hostility. The act of goodwill from China was responded by Taiwan in a favorable way (Yu, 1999: 40).

Relations between China and Taiwan have been restored partly in the Strait of Taiwan. Therefore, it could be concluded that China's market integrated economy requires a stable and secure region. Hence, it influences the relations between China and Taiwan, which leads to avoid conflicts in the region. As the military coercion escalated the Taiwanese began to search more for their independence (Yu, 1999: 40), it is possible, therefore, that the PRC has encountered with an increase in separatist movement among Taiwanese people in the aftermath of the missile tests in 1995. Thus it could be concluded that Deng's strategy of China's peaceful unification had gained more weight. According to this strategy, first, "one country, two systems" diplomatic strategy was emphasized as a solution for the unification problem. Secondly, Deng prioritized the strategy of increasing Taiwan's diplomatic isolation. In addition to the diplomatic isolation, thirdly, instead implementing hard power, the strategy favors to increase Taiwan's economic dependency on China via investment and trade. Finally, Deng clearly pointed out that confronting with Taiwan in military means with a showdown (Yu, 1999: 46).

In addition to the Deng Xioping's strategy, the evidence seems to indicate that China has been using all diplomatic means to confront with Taiwan issue. Taken together, China has been using its permanent membership in the United Nations Security Council in order to increase Taiwan's diplomatic isolation. Therefore, China has been implementing pressure on countries which recognizes Taiwan as legitimate ruler of China. China has vetoed resolutions on these countries unless they unrecognized Taiwan (Yu, 1999: 46). In this context, Beijing believed that preservation Hong Kong's and Macao's social, economic and political system would gradually soften the inflexibility of Taiwan's response and perspective on Beijing's one-China policy (Yu,

1991: 46). Consequently, the Hong Kong model provides a way of peaceful unification through talks between China and the ruling government of the territory concerned regarding the terms for approving the CCP's one country, two systems proposal, which is incorporated in the China's constitution (Weng, 1989: 194). The evidence from this perspective suggests that China gained one of an opportunity to demonstrate its "one country, two systems" as a functioning solution for its quest of unification.

Consequently, it is possible that China is an authoritarian regime and gradually it would implement oppression towards Hong Kong people. However, as long as China conducts its "one country, two systems" policy without military means, it is likely that China has been socialized into the liberal international system through global market integration. In other words, China's socialization process does not affect its oppression towards its people. However, this research emphasizes that the socialization disables China to not to behave aggressive, but follow a more reconciliatory behavior towards Taiwan. It is possible, therefore, that despite how much Beijing desires to complete its quest for unification, China would avoid military confrontation as much as it can, because it FDI and foreign capital based economic growth needs the preservation of regional stability and security.

In terms of examining the relation between China and Taiwan, two theorems may be assessed –economic integration and political integration theorems. According to economic theorem, the hypothesis basically emphasizes that an economic integration would provide a spillover effect; in a period of time, economic interactions between two nations can increase to higher levels of cooperation. In other words, a more integrated community would be promoted via economic integration (Chao, 2003: 281). Secondly, the political integration theorem emphasizes that the more China grows its power, the more nations and sub national regions in the

East Asia will be absorbed into China's sphere of influence and become its satellite (Chao, 2003: 281). The evidence from these results suggest that China is becoming the strongest economy in the world and that is strongest in East Asia would support these two theorems.

In addition to these two theorems, one can argue that cooperation and interaction between China and Taiwan has been increased dramatically. Before 1980s, while there had been almost no political interaction between two countries, by the end of the 20th century, the business and exchanges between two parties had increased significantly (Chao, 2003: 281). In 1990, the observed cross-strait exchange was about 5.160 billion US dollars (Chao, 2003: 281). However, the economic relations has been increased dramatically with regarding to the 2014 data⁴ that the trade values between two countries has reached to approximately 200 billion US dollars (CNTV, January 2015).

Moreover, as clearly pointed out by Chao, different ideologies and strategies of development implemented by China and Taiwan diverge from each other. Consequently, these two countries' economic are highly complementary with each other. On the one hand, Chinese mainland achieved heavy and defense industries rather than light industry under the development of Stalinist command economy model. However, on the other hand, Taiwan has always been dependent on international markets. Therefore, Taiwan has prioritized light industries on the contrary of the mainland. In conclusion of China's experience with the international community's political and economic isolation, Beijing needed managers and professionals from Taiwan to better function its market economy (Chao, 2003: 287).

⁴See link for trade values between China and Taiwan
<http://english.cntv.cn/2015/01/19/ARTI1421623816656286.shtml>

According to Samuel Huntington, the global politics in post-Cold War is being influenced along cultural identity which has become the central factor for influencing a country's associations. In his perspective, cultural commonality promotes cooperation among people and the difference provides conflicts. Consequently, Huntington emphasizes that the relation of culture to regional relation is evident with respect to economic integration (Huntington, 1996). Huntington believes that cultural identity and economic integration provide Chinese communities in East Asia to become dependent on Chinese mainland (Chao, 2003: 288). In addition to Huntington's argument, it is likely that Taiwan's increasing business with Chinese mainland is because the close cultural ties and economic independence which Taiwanese people look for new opportunities. In addition, in terms of relations between China and Taiwan, Hong Kong plays a role in the future unification. As the contact through economic exchange, political interaction and cultural exchange flow via Hong Kong, the relations between two parties have grown (Wei, 1990: 144).

Moreover, along with Hong Kong and Taiwan, China may enlarge its economic community with having these two out of four Asian dragons. As clearly pointed out by Chao, China may achieve economic compatibility with Chinese communities in the region which would lead the establishment of "golden economic triangle" (Zeyuan, 1994). Hence, in the light of arguments by Huntington and Zeyuan, there are several names for "golden economic triangle" such as the "China Economic Grouping, the Chinese Common Market, Asian Chinese Common Market, China Economic Circle, the Greater China Co-prosperity Sphere, Greater Cultural and Economic Community, Southern China Economic Region and the Chinese Economic Coordinated System" (Chao, 2003: 289).

It is possible, therefore, that in the long run, economic opportunities and cultural identity may soften Taiwan's perspective on Beijing's one country policy. In this perspective, Taiwanese presidential nominees de-emphasized their speech on the unification or independence. Hence, the elected President in 2000 elections, Chen Shui-ban declared that he would not announce Taiwan's independence nor renounce the title of Republic of China (Lijun, 2001: 123). In addition, Chen demonstrated that Taiwan is willing to undertake a journey of peace and began the peace talks with Chinese leaders (Lijun, 2001: 126). Therefore, one can argue that these events emphasize Beijing's liberal approach towards Taiwan. As, Beijing emphasize the necessity of engaging political talks under "one China" principle and "peaceful reunification" (Lijun, 2001: 127), hence it would lead China to adopt more liberal policy behavior towards Taiwan than with Hong Kong and Macau. Also, President Zemin addressed his speech as "[China] places [its] hope on the Taiwan authorities and even more on the Taiwan people" (Zemin, 2000). In addition to Zemin's speech, it is clear that China implemented a reconciliatory approach towards Taiwan rather than implementing an aggressive policy on the contrary of Maoist era. After Chen was announced as the winner, Zemin announced sixteen characters of policy line towards Taiwan, which expressed "observe closely, wait with patience, guard against impetuosity and maintain high pressure". In the following day that he addressed the speech, Zemin emphasized that China welcomes Taiwan for political talks under the principle of one China (Lijun, 2003: 132).

In addition to Beijing's proposal of one country proposal, it seems that Taiwan case deviates from China's unification with Hong Kong and Macau. As Hong Kong did not have any other choice except complying with Beijing's desires (Weng, 1988: 202), one can argue that this cannot be told for Taiwan which has more stronger position. Chen rejected to accept the principle of one China. As Taiwanese people cannot accept being part of the PRC, he would decline the

proposal. However, the principle has been composed of three sentences: one China in the world; Taiwan is a component of China; and the government of Beijing is the only legal government of whole China (Lijun, 2003: 135). Consequently, Beijing emphasized that there is a necessity of recognizing one China principle for the realization of unification and managing affairs for inter-straits relations. Hence, Beijing proposed to Taiwan that “there is only one China in the world, Taiwan is a part of China and China’s sovereignty and territorial integrity is not to be separated” (Lijun, 2003: 135)

Moreover, according to Gilley, there is an increase in Taiwan’s dependency on Chinese mainland, which makes it resemble that between Finland and the USSR (Chang, Mouritzen & Gilley, 2010, Foreign Policy⁵). It is clear that that political and economic situations in Finland and Taiwan differ from each other. However, Gilley argues that Taiwan sustained its militarized alliance with the US. Therefore, Beijing threatened Taiwan’s national security and autonomy. In addition, Gilley points out that Beijing’s pressure on Taiwan led Taipei to halt its constitutional advance toward independence and open its formerly closed sectors of its economy to invest from China. Moreover, Gilley emphasizes that Taiwan reoriented its quest for a greater international voice via China and put aside its attempts to rejoin to the United Nations (Chang, Mouritzen & Gilley, 2010: Foreign Policy). The evidence from this research suggests that China’s socialization into the liberal order through successful global market integration provided Beijing to implement more flexible and less aggressive policy towards Taipei which demonstrates that more reconciliatory foreign policy rather than aggressive one.

⁵ See the article in this link <https://www.foreignaffairs.com/articles/china/2010-05-01/finland-station>

5.2. China's policy towards maritime issues

The maritime issues in East Asia arose in the aftermath of World War II when regional countries quarreled to occupy the islands in South China Sea. Despite the problem remains as a territorial issue, it may be also resolved with China's efforts to get on with the ASEAN. Hence, it can provide strong ties in the region (Buzynski, 2012: 139). In addition, as clearly pointed out by Buzynski, the territorial dispute in maritime issue had not result in conflict in the last three decades and it may need not to end in conflict, because, it is likely that there is an increase of management of regional affairs through joint or multilateral development between regional countries. Moreover, Buzynski emphasizes that the maritime issues are beyond regional countries' territorial claims and energy access. In his perspective, the tensions have risen up due to the US-China rivalry in the Western Pacific (Buzynski, 2012: 139). Taken together, the maritime issues in the South China Sea may partly be explained by the rivalry issue between the US and China instead a regional problem.

In terms of territorial origins, China claims that its legitimacy over disputed territories comes from history, however, historical claims do not weight in the international law (Buzynski, 2012: 140). Consequently, China has been implementing diplomatic pressure on UNCLOS in order to make the IGO (inter governmental organization) to revise the international law. In other words, China has been trying to achieve a special exception in the international law on maritime issues (Buzynski, 2012: 140). However, it seems that China is not willing to compromise the territorial disputes in South China Sea, indeed in the beginning of 1990s it's partly true. China had been remaining distant from ASEAN, especially ASEAN's collective diplomacy towards China and Manila Declaration in 1992 were not fruitful in terms of reaching an agreement (Jones & Smith, 2007: 176). However, Beijing's attitude towards ASEAN had changed after 1992 that

China demonstrated its sympathy for the ASEAN in which Beijing expressed its interest to resolve the issue peacefully in the ASEAN ministerial Meeting in Jakarta (Jones & Smith, 2007: 177: 178). It is therefore likely that China's socialization into the liberal order can be seen via Beijing's willingness to cooperate with existing liberal order in order to overcome regional problems.

In addition to the rivalry between the US and China, the South China Sea dispute is affected by the development of extended naval strategies by China and the US (Buzynski, 2012: 144). Beside of the rivalry, ASEAN has approached towards China with assuming that Chinese claim would be negotiable. Consequently, China and ten countries in ASEAN could achieve a favorable regional agreement that regional claims could be fixed (Buzynski, 2012: 144). Moreover, one can argue that China is willing to resolve the maritime issue in peaceful way due to economic considerations. In the second half of 1990s, China has agreed on the joint development of the South China Sea's economic potential (Jones & Smith, 2007: 178). In addition, this growing cooperation was manifested in 2002 with signing the Declaration on the Conduct of Parties in the South China Sea, which confirmed the UNCLOS, the TAC and China's five principles of peaceful coexistence (Jones & Smith, 2007: 178). However, as Buzynski clearly emphasized that the rivalry between the US and China has been leading the decrease of ASEAN's role and its ability to reconcile a resolution with China.

Moreover, Beijing believes that if the US recognizes separate sphere of influences in the Western Pacific along with Taiwan and the South China Sea, Beijing's national security would be enhanced. In this perspective, Beijing regards the US involvement in the South China Sea that prevents its unification with Taiwan and encourages the ASEAN countries to antagonize China's claims in the territorial issues (Buzynski, 2012: 147). In addition, China has been trying to

achieve its regional goals in terms of (1) deepening regional countries economic dependence on China, (2) avoiding confrontation with the US, and (3) keeping regional countries and the US away from disputed areas in the South China Sea (International Crisis Group, 2012: 27). Also, if an agreement is settled between the US and China, that would mean China's regional power increase and become dominant in the Western Pacific (Buzynski, 2012: 148). In addition to China's dominance in a matter of the US withdrawal, it is possible that it may provide a Finlandization process⁶ of regional countries towards Chinese regional dominance in which they preserve their own regime types but accepting China's superiority in the region. Therefore, China has been focusing more on investment, trade and diplomatic engagement with regional countries in East Asia (International Crisis Group, 2012: 28).

China demonstrated that the US involvement in the South China Sea would increase the tensions and asked Washington to not to interfere (Buzynski, 2012: 148). Along with China's interests, Beijing stressed that the maritime issues should be negotiated in terms of bilaterally or multilaterally via ASEAN without the involvement of the third party. In 2012, China and ASEAN agreed to establish the ASEAN-China Strategic Partnership and Prosperity and the Framework Agreement on ASEAN-China Economic cooperation. These progresses between regional parties provided what China expressed as the principles of peaceful coexistence in the region (Jones & Smith, 2007: 178). However, the US involvement in the regional affairs has been increasing ASEAN's concerns about China (Buzynski, 2012: 148). Taken together, these results suggest that China's main resentment in the maritime issue is that the US involvement and inability to handle territorial disputes without the third party. In addition to the resentment, it is therefore likely that China has been following a reconciliatory policy towards the South China

⁶ See the detailed information on Finlandization process in this article via following link
<https://www.foreignaffairs.com/articles/china/2010-01-01/not-so-dire-straits>

Sea disputes. The 2002 AEAN-PRC declaration may not ended the tensions in the maritime issue (Scott, 2012: 1026). However, one can argue that it can be regarded as signs of reconciliation among parties. In this perspective, since 2010 ASEAN Regional Forum, Chinese President Hu Jintao emphasized that China's interest to defuse tensions over the maritime issues (Buzynski, 2012: 150). In return, both ASEAN and China agreed to overcome the dispute via deep consultation to sustain friendly relation with each other.

5.3. Concluding Remarks

In terms of China's policy towards both Taiwan and maritime issues, it can be concluded that despite tensions in the region, relations between China and regional countries have not been escalated into a conflict in the last three decades. Rather than deterioration of relations among China and regional countries, there is a high economic interdependence due to regional market integration in East Asia. In addition, in cases of maritime issues, China has demonstrated that it is willing to solve the problem in multilateral or bilateral ways. Consequently, one can argue that China's integration to global market system without implementing political reforms provided Beijing to implement a more reconciliatory approach towards Taiwan in comparison to 80s and 90s. Improving relations between two parties due to pacifying effects of trade and increasing FDIs can be emphasized that democratic values are not that important as much as economic values. It is likely that Beijing will continue to pursue "one country, two systems" rhetoric and may be successful in Taiwan as it was in Hong Kong and Macau. However, the case demonstrates that economic values determine the relations with Taiwan and democratic values seem to melt into background.

However, in the light of the arguments above, the maritime tensions has only escalated when the US becomes involved in the territorial dispute as a third party. It is therefore likely that Beijing has been making effort to establish its sphere of influence in the West Pacific through its economic power. In this context, Beijing opposes the US involvement in the region. In other words, one can explain this situation in great power mentality or approach. As much as Washington would not like third party involvement in the American continent, Beijing does not wish third party involvement in the Western Pacific.

Despite the increasing military activity of the Chinese Navy in the South China Sea, one can argue that Beijing prioritizes regional economic cooperation, regional integration and multilateral cooperation instead the military aggression. The evidence from this research suggests that China's reconciliatory approach towards Taiwan and maritime issues constitutes third step of adherence in the socialization process. In this process, Beijing is affected by capitalist-economic values that is dominant in the international community and therefore, China uses its huge economic market and makes regional countries to become dependent on its growth engine economy. Consequently, depending on FDI and foreign capital for China's economic growth, Beijing needs to implement reconciliatory foreign policy towards East Asia rather than aggressive one. As a result, this research finds that China's successful global market integration forces Beijing to follow reconciliatory foreign policy in the global governance, pursue peaceful relations and become closer to the liberal order. The most salient finding in this research is that Beijing may implement oppressive policy in the inside, however, its socialization into liberal order via global market integration pushes the regime to implement reconciliatory policy in the international level.

6. CHINA'S ENGAGEMENT WITH ASEAN

Amitav Acharya emphasizes that China's rise has triggered a power shift in East Asia. Consequently, he points out that ASEAN was established in a bipolar power structure (Acharya, 2013: 3). It seems that successfully global market integrated China's engagement with ASEAN provided a change from bipolar to a multipolar regional system in East Asia. Acharya stresses that ASEAN was a product of the bipolar international system in which the United States and the Soviet Union had been shaping the regional politics via military presence and alignments (Acharya, 2012: 4).

However, it is clear that the regional condition has been changed dramatically with the fall of communism in 1989 and economic cooperation among regional countries gained more weight rather than military means. In addition to the end of the Cold war, China has changed its foreign policy towards ASEAN and regional countries. Moreover, Beijing has increased its economic cooperation with Japan and ASEAN countries rather than promoting historical animosities (Gilson, 2007: 157). Most importantly, increasing cooperation between parties in the region provided a level of accommodation that has progressed to tolerable boundaries between their relation rather than escalating tensions. In July 2004, China's former Vice Premier Qian Qichen underlined that China and regional countries need to address contemporary problems in a collective and comprehensive manner (Qichen, 2004).

Moreover, one may argue that China has been implementing regional policies to enhance joint leadership and economic integration. According to Gilson, China has been seeking for a comprehensive national power to preserve its national interest, but more importantly, adjust its attitude within the IOs and IGOs – e.g. WTO, ASEAN. In addition to their regional policy, China's foreign policy attitude towards ASEAN and regional cooperation decrease a possible

collective containment against itself (Gilson, 2007: 160). In addition, international capitalist-liberal norm diffusion demonstrates that regional foreign policies have been shaped by the norms that fit with regional agents' interests and their identities (Acharya, 2004: 239). Taken together, Acharya points out that localization is not a wholesale acceptance or rejection of norms, frames normative contestations. In other words, the diffusion of dominant capitalist liberal norms has affected China that led Beijing to follow reconciliatory foreign policy. However, it localized these norms to enhance its foreign policy prior to its regional interest. Thus it could be concluded that China has been consolidating its interdependence on regional countries through market integration, cooperation and socialization.

In addition, according to the socialization arguments, states value to their roles in the international community in terms of the IGOs and IOs. Consequently, states' membership in international community provides norms and values to compare and assess themselves in the exiting order. In this case, China's rise in the post-Cold War and its engagement with ASEAN demonstrate Beijing's socialization in the 4th stage of habitualization of dominant norms (Kent, 2002) in the international community. Moreover, Flockhart emphasizes that states existing in a community utilizes/rejects the dominant norms and their decisions determines their status in the international community (Flockhart, 2006). In addition to socialization arguments, it can be explained that the 'significant we' group of states are adopted capitalist-liberal norms and 'the other' refers to the group of states that reject capitalist-liberal norms of the international community. Therefore, this case argues that China perceives the most highly valued group as 'significant we', hence, it makes effort to become member of "significant we" (Flockhart, 2006: 94) via adopting global market norms in its foreign policy behavior and promoting multilateral, bilateral cooperation and increasing economic integration via ASEAN. It is possible, therefore,

that Chinese regime has managed to move towards the ‘significant we’ through successful implantation of global market economy and increasing its engagement with ASEAN.

In sum, the discussion leads to this hypothesis:

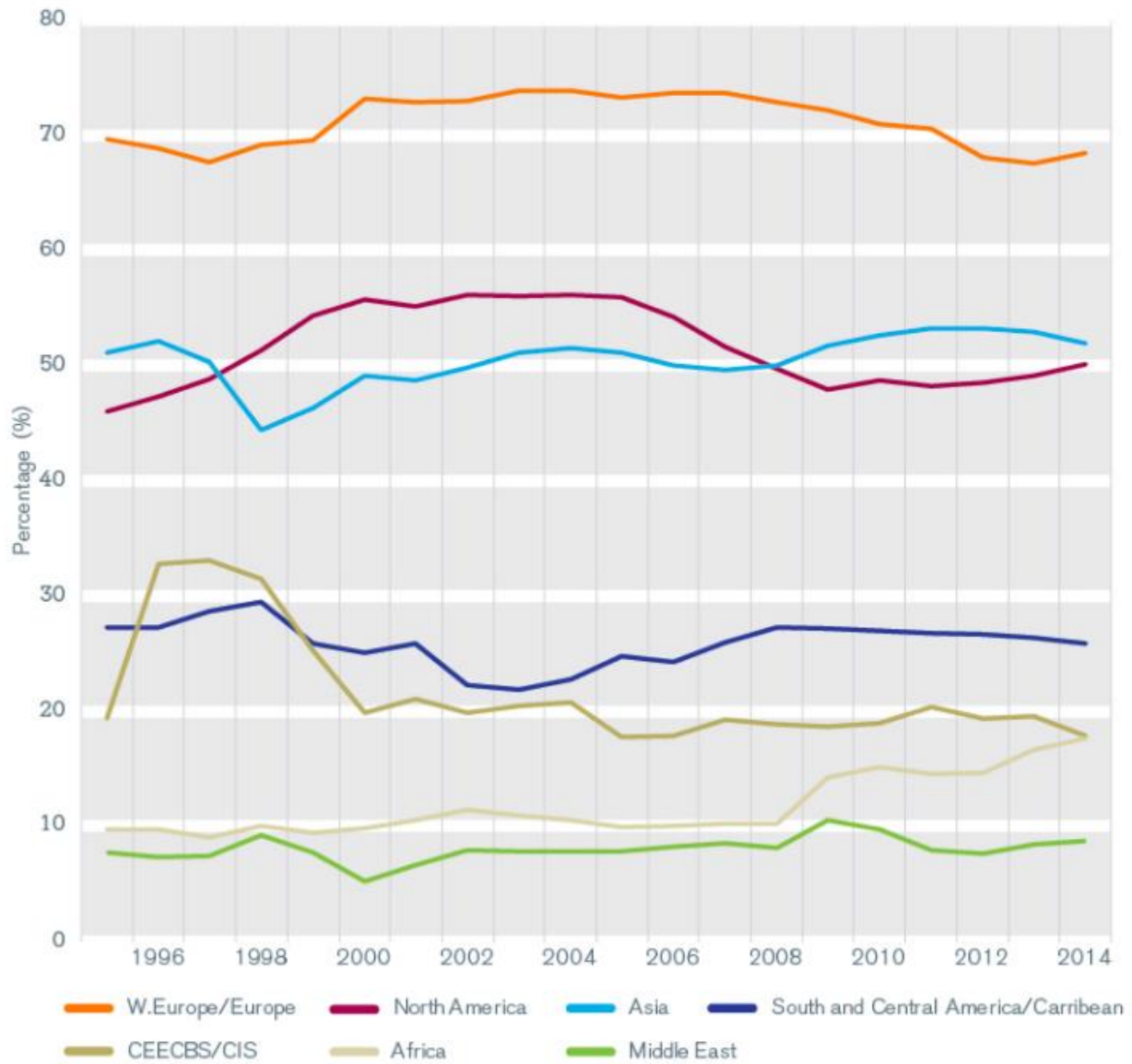
H₃: The more the positive political externalities of economic globalization increases, the more likely the Chinese foreign policy is determined to follow reconciliatory policy toward the region and become closer to the ‘significant we’.

6.1. Regionalization in East Asia

Kupchan emphasizes that stable peace may emerge via a four phrase process in a region. He points out that stable peace begins with (1) reconciliation via unilateral accommodation due to multiple threats to its security; (2) reciprocal restraint which provides trade concessions that may lead programmatic cooperation; (3) deepening societal integration among regional countries in which parties benefit from economic and political barrier reduction and state of reconciliation; (4) generation of new narratives and identities via elite statements, media, literature and political symbolism (Kupchan, 2010: 7). In addition to these phrases of stable peace process (Kupchan, 2010). In other words, the author argues that institutionalized restraint, compatible social orders and cultural commonality lead stable peace.

Moreover, one can argue that China’s engagement with ASEAN in the 1990s and the present may fit in the stable peace argument due to China’s socialization into the liberal international order. As China’s successful market integration required more FDI and foreign capital for its growing economy, it is clear that global market integration has constrained Beijing to reconcile with regional countries. It is therefore likely that China had begun to implement its reconciliatory policy (1st phrase of stable peace) with regional countries and its engagement with

ASEAN, as Beijing encountered with the risk of isolation in the aftermath of Tiananmen Incident in 1989 (Breslin, 2009: 819).



Note: 1995-1999 data for Latin America, Western Europe, Central Eastern Europe and CIS and Baltic States (CEECBS) was classified as South and Central America and the Caribbean, Europe and CIS respectively.

Figure 4: Share of intra-regional exports in total exports⁷ (WTO, international trade statistics, 2015: 30)

⁷See the figure in the following link https://www.wto.org/english/res_e/statis_e/its2015_e/its2015_e.pdf

In line with Breslin, Beijing's policy to establish mutual trust and cooperation with regional countries via economic cooperation in the 1990s can be referred to the 2nd phrase of stable peace. Moreover, China has been improving its relation with IOs and multilateral organizations (ASEAN, ARF and APEC) in order to improve regional economic stability (Cruz de Castro, 2006: 89-90), which demonstrates that Beijing desires to enhance regional economic integration and solve regional disputes with peaceful solution via multilateral dialogues (Cossa & Khanna, 1997: 222- 223). Also, the economic growth via regional market integration in East Asia (see the figure on share of intra-regional exports, Asia remains as second after Europe) will provide mutual security among countries, which will depend on peaceful commerce and integration (Cossa & Khanna, 1997: 224). It seems that China and regional countries have enjoyed deepening societal integration (3rd phrase of stable peace) in the region that they benefit from economic barrier reduction. Taken together, these results suggest that the diffusion of liberal norms via global market integration has a positive effect on security externalities in East Asia (Goldsmith, 2014: 286).

Furthermore, regionalism in East Asia has become a deepening cooperation in order to manage the increasingly interdependent regional economy (see the figure below, Asia has the 52.3% share of regional trade) and political roles as a result of regional market integration (Paul Evans, ed. Pempel, 2005: 198). Moreover, the Asian Financial Crisis of 1997 has brought forward the importance of economic and political cooperation. Acharya emphasizes that major security or economic crisis and change in the power distribution in a region may demand for new norms and lead norm localization (Acharya, 2004: 247). Therefore, Evans emphasizes that ASEAN regionalization with China's involvement may go beyond in establishing societal involvement on a political level (Paul Evans, ed. Pempel, 2005: 198).

World	17.3	4.0	36.7	2.8	3.5	4.2	29.7	100.0
North America	50.2	8.6	15.2	0.7	1.7	3.2	20.2	100.0
South and Central America	24.8	25.8	16.4	1.4	2.5	2.4	24.5	100.0
Europe	7.9	1.7	68.5	3.2	3.3	3.4	10.8	100.0
Commonwealth of Independent States (CIS)	3.9	0.9	52.4	17.8	2.1	3.1	18.2	100.0
Africa	7.0	5.1	36.2	0.4	17.7	3.3	27.3	100.0
Middle East	7.7	0.8	11.5	0.5	2.8	8.8	53.9	100.0
Asia	18.0	3.1	15.2	2.1	3.5	5.1	52.3	100.0

Figure 5: Share of regional trade flows in each region's total merchandise exports⁸ (WTO, international trade statistics, 2015: 41)

It is clear, therefore, that increasing cooperation between ASEAN and China provided desire for more constructive arrangements for the region. In this sense, China's proposal for a free trade area between China-ASEAN and establishment of Trade Negotiating Committee to provide framework for administration (Paul Evans, ed. Pempel, 2005: 200) is quite salient in terms of China's foreign policy towards region. In addition, one can argue that Chinese market economy provided Beijing to become important power in the region. As China has embraced multilateral institutions since 1996, it has become an active leader in East Asia. Taken together,, Beijing recognizes the value of multilateral cooperation for providing solutions to transnational problems (Paul Evans, ed. Pempel, 2005: 213) and, China has changed its strategic behavior in a cooperative style in the long term (Acharya, 2004: 259).

Moreover, the establishment of the ASEAN Regional Forum (ARF) in 1994 provided a multilateral security organization, however, the security is defined with cooperative security measures that focused on building confidence and avoiding conflict (Acharya, 2012: 34). In the beginning, China opposed the ARF that the forum would be manipulated by larger powers, but Beijing changed its attitude towards ARF and became an active player (Acharya 2001: 183).

⁸See the detailed regional trade flows in following link:
https://www.wto.org/english/res_e/statis_e/its2015_e/its2015_e.pdf

In addition, one study on China's policy towards multilateralism can be referred:

“The Chinese expect that bilateral relations and the balance of power among the major powers will continue to be the primary factors affecting stability in the Asia Pacific, not a multilateral security structure. The majority of Chinese specialists portray multilateralism as largely irrelevant – or potentially damaging – to efforts aimed at solving or managing most of the key disputes in the Asia Pacific region” (Garret & Glasser, 1994: 14).

Consequently, one can simply argue that the attitude change can be linked to China's socialization process. Hence, China's supportive role for the ARF may be defined in the 3rd stage of socialization of adherence (Kent, 2002). Moreover, this socialization step may be tracked in Chen Jian's (former Chinese Assistant Foreign Minister) statement that '[Beijing regards the ARF] as a new approach to regional security, an approach different from Cold War mentality, an approach which seeks to strengthen peace through dialogue and cooperation' (Jian cited in Acharya, 2003: 183). Most importantly, Acharya accurately underlines that China's increasing involvement with multilateralism is linked with its fear of isolation (Acharya, 2003: 184). In other words, China's socialization via successful global market integration led Beijing to not to take the risk of isolation which would destroy its economic power. In addition, China has assumed a leadership role in regional institutions with economically surpassing Japan in the late 1990s. Hence, Beijing may be regarded as a power for ASEAN leadership and regionalization in Asia. Although China is not regarded as favorable for ASEAN leadership of regionalization in Asia, Acharya accurately pointed out that the regionalism process would be meaningless without Chinese participation (Acharya, 2012: 35).

6.2. Concluding Remarks

The evidence from this chapter suggests that stable peace (Kupchan, 2010) in East Asia has been enhanced with China's global market integration and its economic influence that led regional market integration. In addition, this chapter argues that China's engagement with ASEAN and its involvement with Asian regionalization can be examined the under fourth stage of socialization – habitualization of international norms (Kent, 2002).

Moreover, this research supports Acharya's argument that China's engagement with ASEAN and IOs is connected with its fear of isolation from regional countries or international community. Hence, one can argue that this fear of isolation has provided the main thrust for China's socialization, because isolation conflicts with Beijing's interest based on economic growth and enhancing its legitimacy on its economic success. In this context, as Chinese economic growth is heavily dependent on Foreign Direct Investment and foreign capital for its economic growth, it seems that China's successful integration into global market system has significant affect to its foreign policy attitude towards multilateralism.

The affect of global market integration under diffusion of capitalist-liberal norms provided Chinese socialization and changed its foreign policy attitude towards ASEAN. Therefore, this research also supports Flochart's argument that states that adopt existing dominant norms would move towards 'significant we', in other words, into the rich club of liberal-capitalist group of states. Hence, China's attitude change towards multilateral organizations in terms of increasing involvement in ASEAN and ARF demonstrates its reconciliatory foreign policy behavior that avoids military conflicts in the region. In conclusion, this chapter finds the third hypothesis that "the more the positive political externalities of economic globalization increase, the more likely the Chinese foreign policy is determined to follow reconciliatory policy toward

the region and become closer to the significant we” is confirmed under the examination of China’s engagement with ASEAN in East Asia affairs.

CONCLUSION

The evidence from this research suggests that China has begun its socialization process by implementing the economic reform and opening. This provided Beijing to leave behind the first stage of denial (Kent, 2002). On the one hand, according to the socialization of systemic liberal peace argument, affected by capitalist-liberal norms, China passed to the second stage of ‘strategic bargaining and tactical concessions’ in its foreign policy attitude that adopted reconciliation with regional countries. On the other hand, these capitalist-liberal norms did not provide a political reform. Consequently, China, as an illiberal regime, achieved socialization into the liberal order with altering its foreign policy attitude via adopting dominant capitalist-liberal norms and rules in the international community. Also, this research claims that China’s socialization began with introduction of economic reform by Deng Xiaoping. But, the socialization process has speed up with the fall of the USSR and capitalist-liberal norms becoming the dominant norm in the aftermath of 1989. In this context, this research examined three cases as (1) China’s foreign policy towards Korean Peninsula; (2) Chinese policy towards Taiwan and maritime issues; and (3) China’s engagement with the ASEAN.

This research emphasizes that China’s successful global market integration provided a huge export-led economic engine that created economic interdependence on both DPRK and ROK. This situation has given China a political and economic leverage for maintaining regional stability and providing peace on the Korean Peninsula. Although, Beijing has not succeeded in the North Korea’s regional integration and its inability of cutting ties between the ROK and the

US, however, this research has found that Beijing is using its means of economic power in order to influence both Korean states instead of using hard power or encouraging the DPRK to escalate a conflict. Hence, *this study found the first hypothesis confirmed namely that China creates a center of gravity via regional economic integration that leads Beijing to ignore ideology/regime type in its relations with South/North Korea..* In the relations between Beijing and Pyongyang, China uses the economic assistance as leverage for opening high-level political influence. It seems that China is trying to provide necessary basis for North Korea's socialization that once Beijing achieved. It is therefore likely that the extent of successful global market integration affect interstate relations towards a more reconciliatory state. Consequently, *this research finds that China's foreign policy change towards Korean Peninsula is connected with the second stage of "strategic bargaining and tactical concessions"* (Kent, 2002). In addition, it can be concluded that China has been affected by capitalist-liberal norms in the international system and applied economic reform without political reform. It is clear that Beijing's foreign policy towards Korean Peninsula diverted from the Maoist era. In addition, this study emphasizes that China has been encouraging the DPRK to implement opening without political reform. In other words, one can name it as illiberal regime socialization into liberal order via global market integration without political reform.

In the scope of China's policy towards both Taiwan and maritime issues, this research points out that despite tensions in the region, there has not been a military conflict in the South China Sea in the last three decades despite the maritime tensions. Most importantly, rather than the deterioration of relations between China and regional countries, the economic interdependence has increased dramatically due to regional market integration in East Asia. In addition to maritime and territorial issues, China's engagement with ASEAN and ARF for

establishing cooperation and providing constructive solution for these issues demonstrate China's reconciliatory foreign policy. Moreover, it seems that the US involvement in South China Sea increases the tensions. Therefore, this research finds the result of China's interest of creating its sphere of influence in the West Pacific through its economic power. In this perspective, Beijing antagonizes the US involvement in East Asia. Consequently, this research demonstrates the link between China's opposition of the US involvement in its region and the great power mentality/approach.

Moreover, despite the increasing Chinese Navy activity in the South China Sea, the evidence seems to indicate that Beijing values more on regional economic cooperation, regional integration and multilateral cooperation that results in China to avoid armed conflict escalation. Thus it could be concluded that *China's reconciliatory approach towards Taiwan and maritime issues constitutes the third step of adherence in the socialization process*. In the socialization process, the capitalist-liberal values that are dominant in the international community have influenced China's foreign policy attitude towards Taiwan and maritime issues. Therefore, China has been manipulating regional markets to make East Asian countries to become more dependent on its export-led engine economy. Hence, as much as China depends on maintaining Foreign Direct Investment and foreign capital for its economic growth, Beijing has to follow reconciliatory foreign policy towards East Asia rather than aggressive one. In conclusion, *this study confirms the second hypothesis that "the more China is integrated into the global market system, the more it will act reconciliatory in terms of global governance and the more it will pursue peaceful relations in its region and become closer to liberal order"*. Consequently, *this research has found this socialization as salient, because diffusion of liberal values in capitalist norms has not affected China's domestic politics. But, these capitalist-liberal norms provided*

China's socialization into the liberal order via global market integration pushes the regime to implement reconciliatory policy in the international level.

In the context of China's engagement with ASEAN, the evidence seems to indicate that stable peace (Kupchan, 2010) in East Asia has been promoted with China's global market integration. Moreover, the positive externality of Chinese market led regional economic integration and contributed to stable peace. *It is therefore likely that China's engagement with ASEAN and its involvement with Asian regionalization can be examined under third stage of socialization – adherence* (Kent, 2002). Consequently, the research findings support Acharya's argument that China's engagement with ASEAN and IOs is connected with its fear of isolation from regional countries or international community. Most importantly, it is possible that this fear of isolation has provided the core of China's socialization, as an international isolation would conflict with the PRC's national economic interests. In this context, as Chinese economic growth is heavily dependent on Foreign Direct Investment and foreign capital for its economic growth, one can argue that China's successful integration into global market system has significant affect to its foreign policy attitude towards multilateralism.

Also, the influence of global market integration under diffusion of capitalist-liberal norms led Chinese socialization and altered its foreign policy attitude towards ASEAN. Moreover, this research confirms Flochart's argument that states that adopt existing dominant capitalist-liberal norms would move towards 'significant we', in other words, the rich club of liberal-capitalist group of states. The opposite direction would be total isolation from the international community – e.g. the North Korea. Consequently, China's attitude change towards multilateral organizations in terms of increasing involvement in ASEAN and ARF demonstrates its reconciliatory foreign policy behavior that avoids military conflicts in the region. Therefore, *this research confirms the*

third hypothesis that ‘the more the positive political externalities of economic globalization increase, the more likely the Chinese foreign policy is determined to follow reconciliatory policy toward the region and become closer to the significant we’ under the examination of China’s engagement with ASEAN in East Asia relations.

Taken together, these results suggest that regime type does not have an effect on foreign policy behavior. In other words, a regime’s foreign policy attitude is shaped by the extent of its success in global market integration. It is clear therefore, that China (authoritarian illiberal regime) is well integrated into the global market system and requires Foreign Direct Investment and foreign capital for its economic growth. Simply, China would not risk escalating tensions and provoking military conflicts. Consequently, any conflict would cause China to lose FDI and foreign capital that would harm its market-integrated economy. Therefore, this research argues that successful market integration provides reconciliation and provides basis for peaceful state of region. However, as long as China remains authoritarian regime and implements reconciliatory foreign policy towards East Asia, one can say that liberal values of democracy and global market system are separable from each other. Consequently, on the one hand, the socialization effect of systemic liberal peace via capitalist-liberal norms could only shape Chinese foreign policy behavior. On the other hand, this socialization provides welfare inside China but not political reform. The evidence seems to confirm the last hypothesis that *“the more China is integrated into global market system without implementing political reforms, the more likely that capitalism underwrites democracy through the pacifying effects of trade”*. It is possible therefore that *Liberal peace can be achieved among countries – no matter their regime types- through global market economic integration without requiring democratic reform in a non-liberal country.*

This research contributes to the socialization approach of social-constructivism of international relations. Hence the research emphasizes that diffusion of capitalist-liberal norms lead illiberal regimes to integrate themselves in the liberal order via socialization process. However, the research points out the diffusion of liberal norms via economic relations do not require to follow political reform in their integration to liberal order. In this perspective, the research contributes that China's socialization into liberal order is only limited in its foreign policy attitude with implementing reconciliatory approach towards regional countries. As China does not implement aggressive foreign policy attitude as in its past, it is likely that China has encountered with capitalist-liberal norms that altered its foreign policy attitude. This research expects that cooperation among East Asian countries would continue and enhance. As social-constructivism emphasized that the 21th century has complicated problems that one state cannot solve alone that is beyond territorial issues. Therefore, this research expects that China would increase its engagement with regional countries and provide its sphere of influence without using hard power. However, one may ask what if China invades Taiwan or engages in conflict in the South China Sea in the near future. Then, the socialization process via global market integration would fail into decay and this research would expect another socialization process to begin.

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