EVELYN GOH

The Modes of China’s Influence
Cases from Southeast Asia

ABSTRACT

Distinguishing between power as resources and influence as converting those resources into outcomes, I propose a new framework for analyzing China’s influence, using examples from Southeast Asia. Because China exercises influence predominantly in contexts of convergent, not divergent, preferences, three key modes of influence are “preference multiplying,” “persuasion,” and “ability to prevail.”

KEYWORDS: China, Southeast Asia, influence, power, preference multiplier

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That China is one of the most powerful states in the world is no longer a contested claim. Numerous studies detailing the People’s Republic of China’s (PRC) growing economic, military, and political resources suggest how it is altering international structures and global order. While this literature helps us to appreciate the changing global distribution of power, it often either assumes that material power automatically generates certain responses from others, or makes ambitious claims about Chinese “soft” power. Furthermore, most authors concentrate only on what China does or wants. They

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thus tell us relatively little about how “powerful” China actually is. This article—and the wider project of which it is a part—argues that the more useful question is: how effectively does China make use of its growing power resources to get what it wants?

To answer this question, we need to make two analytical moves. First, we need to move beyond scorecards enumerating different categories of power, toward more sophisticated analysis of how and how effectively China converts its resources into control over other international actors and their policy decisions, in order to achieve particular ends. Second, we need to investigate explicitly how the targets of China’s exercises of power react, and why they make the choices that they do. This emphasis on tracing the processes relating resources to outcomes is, simply put, the study of influence.

Here, we make a distinction between power understood as resources and latent capability, and influence, defined as the effective exercise of this power. Influence is the act of modifying or otherwise having an impact upon another actor’s preferences or behavior in favor of one’s own aims. Analyzing influence is vital to understanding China’s impact on international order, for at least two reasons. First, growing resources and capabilities do not necessarily translate into the ability to affect others’ behavior. For example, in spite of its position as the leading holder of U.S. debt, China was unable to exert much meaningful leverage over U.S. financial policy during the recent global financial crisis. In East Asia, despite close economic and political ties, China has had limited ability to change North Korea’s nuclear policies; nor has it succeeded in deflecting the territorial claims of some neighbors in the South China Sea. Indeed, rising dependency on China actually helped to push the isolated military regime in Myanmar toward reforms so as to diversify its strategic ties with other great powers. Second, however, it is also inadequate to conclude from Beijing’s relative reticence in asserting itself in the global arena that China cannot be any more than a “partial power,” or that it does not

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5. See David I. Steinberg and Hongwei Fan, Modern China-Myanmar Relations: Dilemmas of Mutual Dependence (Copenhagen: NIAS [Nordic Institute of Asian Studies], 2012).
matter. If there is significant slippage in how much China manages to convert its growing resources into observable influence, then the important research question is why, and—more crucially—whether and how might China be exercising influence in indirect ways?

This paper investigates China’s influence in Southeast Asia, a neighboring region in which Beijing has invested considerable economic and diplomatic resources over the past two decades. Within the sizable literature on China’s relations with this sub-region, the question of China’s influence has not been properly addressed. In contrast to China’s relations with the major Asian powers, Sino-Southeast Asian relationships are more asymmetrical, because many of these states are smaller, less developed, and more dependent upon China. Thus, we ought to find evidence of China converting its power resources into influence over these neighbors’ strategic decisions to bring about outcomes favorable to China. However, the processes and outcomes of China’s exercise of influence are not straightforward, even in this relatively straightforward case.

The following analysis is in three parts. The first section defines influence and outlines a conceptual framework that can account for a range of contexts from convergent to divergent preferences, in which China exercises its influence. The next section analyzes significant cases demonstrating three innovative categories of Chinese influence in Southeast Asia: “preference multiplier,” when extant preferences are aligned; “persuasion,” when preexisting preferences are debated; and “ability to prevail,” in instances of opposing preferences. My analysis finds that the first two modes of influence are the most prevalent, while there are very few instances in which China has managed to make Southeast Asian states do what they would otherwise not have done. Thus, even though China’s power resources have increased significantly, the conversion of these resources into control over outcomes is uneven. The final section discusses the implications for understanding the nature and limits of Chinese influence.


We draw from classical studies of political influence in defining it as the effective exercise of power. Principally, Max Weber’s classic notion of power as “the chance, within a social relationship, to enforce one’s own will against resistance” implies that an actor’s power resources may be converted into desired outcomes, but not necessarily at all or to their full extent. This notion was elaborated in Cox and Jacobson’s definitive study of influence as an “actuality,” the actual “modification of one actor’s behaviour by that of another” for the purpose of achieving the latter’s goals. Thus, we make a distinction here between power as latent capability, and influence as actual effect on the target actors’ behavior, brought about purposefully and “in a direction consistent with...the wants, preferences, or intentions of the influence-wielders.”

This focus on influence does not preclude us from recognizing its common tools, particularly (i) coercion, or action designed to compel another actor to do something by credibly signalling the costly consequences of his failure to comply; (ii) inducement, or getting another actor to behave in a particular way by offering a reward; and (iii) persuasion, by which one actor convinces another that it is in her best interest to do as he wishes. However, these are tools rather than analytical categories because all three are often used in combination in real life. Indeed, the literature about China’s rise tries hard to segregate artificially these tools of power, but often without explicitly analyzing the effectiveness with which China uses these tools, nor examining seriously how the targets of Chinese influence respond.

Even more problematic is the tendency to look only for evidence of China getting others to do what they otherwise would not have done. This stems from a positivist methodological concern: in order to demonstrate most convincingly an actor’s influence, one needs to start with a situation of

conflict—ideally, one should show that $B$ started out with a different set of interests and preferences, but upon exposure to $A$’s coercion, inducement, or persuasion, made policy choices that he otherwise would not have made.\(^\text{13}\) But however much methodological satisfaction this may give, such an approach sets the bar of evidence very high and may be premised upon outlying incidents rather than recurring observations. Indeed, we face a shortage of such empirical material for contemporary China: a recent major study concludes that there is not much evidence of China’s ability to cause other international actors to behave in a manner in which they otherwise would not have done.\(^\text{14}\) As the next section argues, this is true too for Southeast Asia. But does this mean that China has been either hoarding or squandering its growing power resources? Or have Chinese foreign policy actors been trying to achieve their strategic aims in other ways, without having to prevail over the resistance of others?

Rather than looking exclusively for evidence of China prevailing over the opposition of others, we need to investigate the full range of available evidence for how China achieves its key strategic goals by getting its foreign constituencies to behave in certain ways. The point is that influence can be exercised in many instances where there may not be clear resistance and even when the interests or preferences of the influence-wielder and its targets converge. This is recognized by critical and post-structuralist studies that focus on “insidious” power in instances of apparent consent.\(^\text{15}\) Joseph Nye’s more accessible notion of “soft” power, stressing how others might be coopted into wanting what an actor wants through cultural, ideological, and institutional attraction, is the most popular illustration of such convergent contexts. But Nye’s focus on “attraction” is unnecessarily narrow: China’s neighbors may fall in line with its preferences not only because of ideational attraction, but owing to instrumental calculations, such as the prospect of access to Chinese economic resources or the lack of other potential large external supporters.


\(^{14}\) Shambaugh, *China Goes Global*.

In sum, understanding China’s influence requires that we examine (a) the target actors’ reactions and decisions, and (b) the range of contexts spanning divergent and convergent preferences. To this end, this paper presents a simple formula that disaggregates modes of Chinese influence depending upon the degree of alignment between the preexisting preferences of the targets of influence and China’s. Intuitively, the employment of power resources to bring about the influence-wielder’s desired goals is most potentially effective when its prior preferences are pre-aligned with the target’s—and most challenging when they are opposed initially. While this simple hypothesis may be obvious, the more important contribution we make is, first, in revealing how the degree of the powerful state’s influence depends upon its targets’ motivations and calculations: weaker actors may conform to the will of the strong not only because the latter wield greater incentives, sanctions, or legitimacy but also to further the former’s political or strategic agendas. Second, we also identify what the key modes of influence are within these contexts of preference convergence and divergence, based on empirical observation.

This framework for understanding contemporary Chinese influence in Southeast Asia is summarized in Table 1. The ideal context for China to achieve its desired outcome is when the extant preferences of the other states are similar to its own. In Southeast Asia, we suggest that Chinese influence in such convergent contexts has been exercised primarily via a “multiplier” effect to intensify and mobilize similar preferences and to overcome collective action problems, for instance, China’s deliberate policies to marshal its growing structural power to promote economic regionalism. Situations in which others’ extant preferences are undecided present opportunities for China to influence their perceptions by providing evidence that its own preferences are more desirable. A key Southeast Asia example is the debate about whether China is a threat. Here, China’s key mode of influence is persuasion, which also involves a healthy dose of economic inducement. When faced with opposed extant preferences, the powerful actor has to invest in a mix of tools to bring others’ preferences in line with its own. Among the most difficult of such issues are territorial disputes, but the ability to prevail in these cases would provide the most dramatic evidence of China’s influence. This range of cases is not exhaustive, but they are indicative of Sino-Southeast Asian relations over the past two decades. The other papers in this collection develop upon these basic modes of Chinese influence and suggest other modes specific to their case studies.
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**Source:** By author.
MODES OF CHINA’S INFLUENCE IN SOUTHEAST ASIA

Intuitively, “easier” cases for demonstrating rising China’s influence ought to be found in smaller and poorer countries on its close periphery such as in Southeast Asia, where many of China’s ten smaller neighbors possess relatively weak military capabilities and/or small populations. China’s rise has had drastic effects on the region, especially in economic terms. China’s trade with the Association of Southeast Asian Nations (ASEAN) grew dramatically from US$8 billion in 1980 to $178 billion in 2009 (during which China became ASEAN’s largest external trading partner) and $280 billion in 2011.\(^{16}\) However, the relationship is imbalanced: ASEAN registers a regular substantive trade deficit with China, which at its peak increased sixfold between 2000 and 2008.\(^{17}\) ASEAN also invests more in China—up to $52 billion in 2008—than vice versa: for instance, even though China’s foreign direct investment (FDI) outflow to ASEAN doubled in 2010–11, this accounted for only 5 percent of ASEAN’s total FDI inflows.\(^{18}\) As the world’s preeminent low-cost manufacturer, China also threatens to divert FDI away from ASEAN.\(^{19}\)

Politically, Southeast Asia has welcomed China’s reemergence since the end of the Cold War, accepting the “one China” policy and severing diplomatic ties with Taiwan, while facilitating China’s participation in regional institutions.\(^{20}\) Militarily, several Southeast Asian states, especially Vietnam and the Philippines, have directly experienced China’s growing power in maritime territorial disputes, and some warn that China’s rise is triggering a regional arms race.\(^{21}\) So, if China’s power has indeed grown, we would expect to see its impact in altering behavior in these weaker neighbors. Indeed, some American observers began arguing nearly a decade ago that

\(^{17}\) “ASEAN Jittery about Trade Pact with China,” Straits Times (Singapore), February 17, 2010.
\(^{18}\) Ibid.; ASEAN, ASEAN Community in Figures 2012, Table 32. Official data on ASEAN FDI outflow are not available.
\(^{21}\) E.g., Michael Richardson, Energy and Geopolitics in the South China Sea (Singapore: ISEAS [Institute of Southeast Asian Studies], 2009).
Beijing was “intent upon establishing a preeminent sphere of influence” and “rapidly becoming the predominant power in Southeast Asia.”

China as Preference Multiplier: Economic Regionalism

In assessing the impacts of China’s rise on Southeast Asia, trade and investment figures are only partial manifestations. China’s economic growth has profoundly changed the structure of the regional political economy by causing most Southeast Asian economies to become significantly reoriented into a regional production network. Instead of exporting products directly, the key manufacturing countries now produce components supplied to final-assembly plants in China, from where finished goods are then exported to international markets. This regional intra-industry trade has significantly intensified the potential influence that Chinese economic policies have over Southeast Asian economic health and viability.

Such structural power is crucial for understanding the impacts of an economy the size of China’s. This section shows how Beijing has used the changing distribution of economic resources, its central position in regional production networks, and its huge market potential to influence Southeast Asian states’ choices. China can and does use directly the lure of its markets to make others change their policies. However, Beijing more often exerts an indirect type of deliberate structural influence, moving to consolidate its position as the region’s economic driver by initiating East Asian economic regionalism. In so doing,

China is not using its economic dynamism simply to induce or coerce, but rather as a catalyst and force multiplier to convert latent shared preferences into actual regional economic integration.

This type of multiplier influence is made possible by aligned extant preferences about the imperative of economic development. Regional policymakers agree that the most important guarantee of a country’s stability is sustained economic growth. Nation-building in the underdeveloped and often ethnically disparate ASEAN states entailed delivering economic growth to ensure regime legitimacy. However, Cold War ideological divisions prevented the Southeast Asian states from pursuing regional economic cooperation, and they subsequently concentrated on the political dimensions of regionalism after the Cold War. But China, as the rising economic powerhouse, lent weight and momentum to translating the shared developmental imperative into economic regionalism. In so doing, China exercises influence via a multiplier effect: its size produces economies of scale, and its political clout lends significance, even legitimacy, to the enterprise. Beijing does not need to change others’ preferences but can concentrate on identifying common imperatives, initiating joint policy action, and committing resources to mobilize cooperative action. Such preference multiplying is a form of influence because it entails enabling others to do something they were not able or willing to do before, despite convergent preferences. Such influence will be most effective if it achieves China’s strategic aims, centered on fostering an external environment conducive to China’s economic development by pacifying Southeast Asia and drawing it into China’s economic orbit. This entails the prospect of economic gains but also of increasing interdependence and raising the costs of any regional opposition to China in the future.

Beijing has multiplied its structural power into influence over Southeast Asian economic regionalism in two key ways: promoting economic development in the least developed parts of the region, and mobilizing the more-developed parts toward a trading bloc. First, Beijing has capitalized on the acute development imperative in the post-communist mainland Southeast Asian economies by generating regionalism that promises Myanmar, Vietnam, Cambodia, and Laos long-term economic integration. China’s participation

has made feasible the Greater Mekong Subregion (GMS) initiative of the Asian Development Bank, which attracts international investment for infrastructural projects. These connect the poorer states to the markets of China and Thailand, while improving China’s access to raw material supplies and ports in the Indian Ocean and East China Sea.²⁸ China is now the top or second-largest trading partner and investor in Laos and Cambodia, supplying development assistance and soft loans, including record-breaking multi-billion-dollar investments in strategic railways to open new raw material transport routes into China.²⁹

The second way in which Beijing has acted as a preference multiplier is via the ASEAN-China Free Trade Agreement (ACFTA). A prime example of China’s ability to identify and act upon shared preferences with alacrity, this Chinese initiative leapfrogged the long-standing deliberations about an intra-ASEAN FTA. With their competing manufacturing profiles and small industrial and tertiary sectors, ASEAN states in 30 years had not been able to achieve significant intra-regional trade.³⁰ But China galvanized the economic integration project toward a broader regionalism. China’s growth has driven demand for Southeast Asian products, especially electrical components, machinery, plastics, rubber, and oil. ACFTA further allows ASEAN to take advantage of the rising demand for consumer goods from China’s expanding middle class.³¹ ACFTA is the world’s largest free trade area, comprising 1.9 billion consumers and $4.3 trillion in trade. China-ASEAN trade rose from $232 billion in 2010, when the FTA came into effect, to a reported $400 billion by 2012.³²

Yet, China’s multiplier influence does not flow from economic inducement alone: it results from costly political choices made by Southeast Asian states for which trade liberalization with China has brought significant

³¹. ASEAN Secretariat, “ASEAN-China Free Trade Area.”
³². ASEAN, ASEAN Community in Figures 2012; “ASEAN-China Trade Reaches Record High,” Brunei Times (Brunei), February 7, 2013.
problems. For instance, parts of the Thai agricultural sector have suffered from competition with imports of cheap Chinese produce and continuing Chinese non-tariff barriers. In Indonesia, domestic pressure to protect core industries caused the government to ask for a delay in implementing ACFTA regulations.\textsuperscript{33} In eventually acquiescing to the liberalization agenda, both Bangkok and Jakarta have made political choices to raise the level of interdependence with China, and to wait for longer-term benefits in spite of the short-term costs. China too has used ACFTA economic instruments to pursue political objectives, including assuaging ASEAN fears of China's economic threat by committing to long-term market access and promising potential mutual gains.\textsuperscript{34}

ACFTA and GMS regionalism also highlight the ideational element of preference multiplying: China's developmental approach reinforces two key principles that ASEAN holds dear. The first is sovereignty: China's absolutist rhetorical stance accords with the sensitivities of these small states, which appreciate being treated as functional equals by China while receiving preferential treatment in recognition of their relative poverty. Second, the practice of maintaining a capitalist economy without concomitant political liberalization has been pursued by some regional states such as Singapore and Thailand.\textsuperscript{35} While the claim of an alternative “Beijing consensus” is too far-fetched, developing Southeast Asian states now look to China for lessons on state intervention in economic practice, particularly after regional disillusionment with international financial institutions post-1997.\textsuperscript{36}

China's influence as a multiplier of economic growth and regionalism is not a typical case for demonstrating an exercise of power because Beijing does not have to get others to do what they do not want to do. However, preference multiplying has been a vital mode of influence and is crucially


important in accounting for China’s political successes in Southeast Asia. The fact that Beijing has enabled its neighbors to translate their disparate economic development imperatives into a tangible regional drive significantly explains why these states have been receptive to the upsides of China’s growing power resources, and cautious in responding to its downsides. Yet, even here, China’s control over outcomes is not always predictable. Rather than simply intensifying their interdependence with China, Southeast Asian states have capitalized on the ACFTA momentum to diversify their options by developing stronger ties with other economic powerhouses, concluding a spate of bilateral FTAs with Japan, the U.S., South Korea, Australia, and India. Even Laos, the poorest of the Southeast Asian countries, has leveraged on Chinese interest to bargain with other large international donors such as the World Bank to fund controversial hydropower mega-projects.

China’s Influence through Persuasion: “Peaceful Rise” vs. “China Threat”

Persuasion is about the propagation of dominant beliefs, which, once accepted, constrain and align the preferences of the target actors with those of the powerful actor. Such beliefs can be perpetuated through coherent narratives, argumentation, and behavioral evidence to support these discourses. Over the past two decades, China has expended significant resources on this aspect of influence in Southeast Asia, especially in image-building following the prominent international debate in the 1990s about rising China’s identity. On top of concerns about the rapid growth of its economy and military, international suspicions of China’s communist regime were exacerbated by the violent 1989 Tiananmen crackdown, fuelling a widespread discourse on the “China threat.” From 1996, an official Chinese campaign to counter the China threat thesis became apparent. Beijing targeted its

37. On this diversification strategy, see Goh, “Great Powers and Hierarchical Order.”
40. The Chinese government stepped up its diplomatic campaign following two high profile conflicts: the 1995–96 Taiwan Strait crisis, and the armed clashes between China and the Philippines over the Mischief Reef in the South China Sea in 1995.
international policy of strategic reassurance first at its most pliable periphery, Southeast Asia, with the aim of persuading the region that China’s rise would provide opportunities for mutual benefit rather than pose threats to security or economic interests. This is an ideal case for studying persuasion, as the extant preferences of the targets were unclear or undecided. The nature of the “China threat” controversy ruled out coercive action on Beijing’s part, making even more salient the tools of persuasion and inducement in shaping international perceptions.

Beijing’s campaign contained three elements designed to change world perceptions of China. First was an alternative narrative of China’s benign resurgence: in promulgating a “New Security Concept” in 1997, President Jiang Zemin rejected the “old Cold War security outlook” in favor of privileging mutual trust and benefit, equality, interdependence, cooperative security, and international norms. Chinese officials repeated reassurances that China would never seek hegemony, was still an underdeveloped country, and engaged in defensive military spending. Since 2003, this carefully de-ideologized narrative has revolved around the “peaceful rise” concept, subsequently amended to “peaceful development.” The essential aim is strategic reassurance that China’s resurgence will not threaten others’ interests because of China’s “peaceful intentions,” limited national capabilities, historically peaceful outlook, and development trajectory. In 2005, President Hu Jintao added the “harmonious world” concept, stressing plurality in international relations, specifically respect for “the right of each country to select its own social system and path of development.” In the wake of the U.S. “rebalance” to Asia in 2011, President Xi Jinping advocated a “new model of major country relations,” avowing conflict avoidance and stressing mutual respect

and win-win cooperation, while emphasizing that “we have never thought about pushing the U.S. out of the [Asia-Pacific] region.”

Beijing has used policy action to substantiate its claims of being a benign status quo state, including efforts to negotiate outstanding border disputes; increasingly adept diplomacy; highly publicized restraint during the Asian financial crisis; disaster relief; and promises of large investment and aid packages to East Asian neighbors during the global financial crisis. Furthermore, Beijing has tried to persuade the world that it will not disrupt the existing international order, by signing onto key international norms of arms control and disarmament. Similarly, Chinese officials worked to gain entry into the World Trade Organization (WTO) in 2001, partly to consolidate the notion of China as a huge economic opportunity. Beijing has successfully used ASEAN forums as a demonstration precinct for its socialization, and Southeast Asia’s reciprocal responses to Chinese participation and proposals such as ACFTA, a defense ministers’ dialogue, and a regional bond market have all boosted China’s claims of peaceful development. Leading Chinese scholars have drawn on China’s participation in ASEAN institutions to develop constructivist theories of socialization with Chinese characteristics, emphasizing “power as relationships” and the importance of “process for the sake of process.”

Be that as it may, normative persuasion and material inducement are often co-instruments of influence, and China’s reassurance drive has included selective easing of barriers to trade and investment, using the promise of access to the China market to induce policy change. For instance, Beijing used the prospect of bilateral free trade negotiations to gain formal recognition from individual countries as a “market economy,” gradually challenging its WTO status as an “economy in transition.” China has concluded trade agreements with ASEAN, Pakistan, and New Zealand, and is in negotiation with Australia.

India, and South Korea. Its “Early Harvest Programs” with some ASEAN countries—the partial lifting of trade barriers on selected goods—have been portrayed as favorable treatment whereby China “gave more and took less.”\textsuperscript{50} Such policies that combine inducement and persuasion amount to a strategy of “pacification, harmony and enrichment” toward neighboring countries.\textsuperscript{51} Bilateral economic inducement is also a placatory tool that Beijing uses selectively vis-à-vis Southeast Asian states at important junctures, most recently toward Indonesia and Malaysia in 2013, in the midst of the government shutdown in Washington and renewed tensions with the Philippines over the South China Sea territorial disputes.\textsuperscript{52}

Yet, the regional reception to China’s persuasion is difficult to measure and can be ephemeral. Analysts often employ polling data to show positive changes in public opinion to demonstrate a powerful state’s influence, but this is problematic.\textsuperscript{53} A large survey of Asian public opinion in 2008\textsuperscript{54} found, for example, that while majorities in all surveyed countries saw China’s influence in regional affairs as very or somewhat positive, strong majorities were also somewhat or very uncomfortable with the idea of China as leader of Asia. While pluralities were somewhat worried that China could threaten them militarily in the future, similar proportions had the same worries about Japan, and to some extent, the U.S.\textsuperscript{55} In a region suspicious about its resident great powers and ambivalent about hegemony, it is difficult to draw significant conclusions from the apparent moderation in public opinion about China. The bigger challenge is to establish a credible further link between public opinion and the state elite’s actual policy choices.


\textsuperscript{54} I have chosen a 2008 dataset so as not to reflect the spike in regional threat perceptions following rising tensions in the South China Sea from 2009 onward.

Over the past two decades, Beijing’s efforts at discursive persuasion, backed by policy action and inducements, have arguably held at bay the tide of “China threat” sentiments in Southeast Asia. The upswell of Chinese peaceful cooperation and win-win rhetoric, reciprocal responses to China’s regional initiatives, and burgeoning bilateral ties all indicate that policymakers in Southeast Asian states have received the message. They have proved broadly willing to give China some benefit of the doubt, and act accordingly. But China’s persuasive influence is still limited in that Beijing has not fully achieved its aim of strategic assurance or pacification. As highlighted in the next section, many Southeast Asian states are not rolling over into a Sinocentric sphere of influence: many continue to “hedge” by diversifying their economic and strategic relationships with other great powers, and some remain willing to resist when they perceive Chinese threats to their core national interests. Ultimately, Southeast Asian receptiveness to Chinese reassurance arises from the twin belief in the possibility of socializing China into a status quo power, and of growing interdependence leading to prosperity and peace. Hence, China’s capacity to persuade is conditional upon its ability to continue offering economic inducement and to sustain benign policy action. China’s neighbors are watching in particular how Beijing tries to prevail in more serious conflicts of interest.

China’s Ability to Prevail: Territorial Conflicts

The most common way of gauging influence is to try to find a significant issue where the parties’ extant preferences are opposed, but the target actor changes its behavior at some cost as a result of the powerful actor’s actions. Positivist scholars search for such “hard” cases to prove causality, but the study of influence focuses on the efficacy of a state’s efforts to prevail over others with divergent preferences, not just on showing that the former has attempted to prevail. Again, the outcome depends on the targets’ motivations, making even more important close analyses of their decision-making processes. In the case of China and Southeast Asia, the most significant strategic issues in which to look for evidence of Chinese influence include defense relations with the U.S., support for regional security ties that exclude the

U.S., and policies on territorial disputes. On these potential hard cases, it is difficult to find significant changes in Southeast Asian states’ policies to date. Almost all Southeast Asian states continue to support and facilitate the U.S. military presence in the region and wider American strategic objectives, rhetorically and through defense engagement.

One potential case of China prevailing in a conflict of interest may be found in the decision of the Philippines to alter its stance on its claims to the Spratly Islands in the South China Sea, which are disputed by the Philippines, Vietnam, China, Taiwan, Malaysia, and Brunei. Following the 1995 discovery of Chinese military structures on Mischief Reef, claimed by the Philippines, Manila led a unified ASEAN effort to engage Beijing in multilateral negotiations. By a Declaration of Conduct signed in 2002, the parties agreed to exercise restraint and seek peaceful resolution of conflicts. In September 2004, however, Manila changed its multilateral stance and confidentially signed an agreement with Beijing for a joint survey of potential exploitable oil and gas resources around the Spratlys. That this was a politically controversial move for Manila is indicated by the withholding of details until 2008. For critics, the bilateral agreement undermined ASEAN’s collective approach and the Declaration of Conduct, which obliges all parties to agree in any resource cooperation. China’s aims in promoting joint development were to persuade the Philippines to shelve the territorial dispute, to adopt bilateral mechanisms, and to avoid internationalizing the issue to involve non-claimants and other external parties.

How and to what extent did China prevail over Manila to alter its previous preferences? Conceptually, Beijing presented “joint development” as a credible alternative to confrontation or a multilateral code of conduct. Joint


58. It later transpired that Vietnam had joined the now tripartite agreement in March 2005. Little is known about Hanoi’s decision, but the agreement did not cover maritime territory claimed by Vietnam.


development would be conducted bilaterally by national oil companies, thus circumventing the ASEAN state-based negotiations. Critics charged that joint development Chinese-style was a convenient means for Beijing to claim territory over which it is widely perceived to have little plausible legal claim.  

President Gloria Macapagal Arroyo appeared to have been persuaded by key Philippine establishment figures involved in informal patronage networks involving both the oil industry and the Chinese business sector, against the opposition of Foreign Ministry and Justice Ministry officials.

Economic inducements appeared to be key to Beijing’s success. The agreement was part of a package of bilateral agreements signed by Arroyo and Hu in 2004–06, including $1.6 billion from China in loans and investments, plus military assistance worth more than $1 million. Amid speculation that the Spratlys agreement was a quid pro quo for these commercial agreements, when the scandal broke in 2008, members of the Philippines House of Representatives demanded investigations into the connection. Alongside this were inducements offered by the ACFTA: Manila, which had initially opposed the FTA agreement, accepted the Early Harvest Program in early 2005. Bilateral trade grew from $1.77 billion in 2001 to $8.29 billion in 2008; by 2006 China was the fifth largest provider of official development assistance (ODA) to the Philippines, supporting a number of high-profile large infrastructural projects.

Finally, coercion was evident in China’s management of the Spratlys dispute. Since 2007, regional observers had noted “a clearer Chinese assertiveness in advancing its territorial claims.” Chinese patrol boats fired on Vietnamese fishing vessels, and China conducted a large naval exercise near the disputed Paracel Islands. A British Petroleum-led consortium that held

a concession for developing gas fields off the Vietnamese coast suspended operations after two months, reportedly as a result of Chinese threats to exclude BP from future energy deals in China.67 While none of these actions involved the Philippines, China’s tough stance against Vietnam sent a strong signal to the militarily and economically weaker Filipinos. Beijing further asserted sovereignty by upgrading the status of the administrative center overseeing its claimed South China Sea territories.

And yet, Manila’s apparent reversal on joint development was short-lived and did not demonstrate China’s ability to prevail. The domestic political scandal caused the Arroyo government to walk away from the agreement in 2008, and Manila toughened its stance on the territorial conflict thereafter. In 2009, the Philippine Senate enacted a law that included the Spratlys within the country’s maritime baselines. The Philippines, together with Vietnam, included the disputed islands in their formal submissions to the U.N. Commission on the Limits of the Continental Shelf.68 Incidents of coercion have increased: when the U.S. Navy’s ocean surveillance ship Impeccable allegedly intruded into China’s exclusive economic zone in March 2009, Beijing despatched naval vessels to confront it. The U.S. sent a guided missile destroyer into the region.69 Other claimants have subsequently upgraded their military facilities and capabilities in the area.70

While Chinese behavior has certainly had an impact on the other claimant states, the latter have not made choices in the direction that China wants. Chinese influence has been limited insofar as Beijing has failed to persuade, induce, or coerce its rivals into changing their approaches to the dispute. As a reflection of this, Beijing too has adopted a harder line on these disputes since 2009, fueling a classic security dilemma. It objected to multilateral discussions of the issue within ASEAN, and Chinese vessels were embroiled in a number of tense stand-offs with Philippine and Vietnamese craft in the disputed areas in 2011, 2012, and 2014. Hanoi chose to “internationalize” the conflict by bringing it up for open discussion in wider Asia-Pacific forums,

67. Storey, “Conflict.”
while Manila submitted the dispute for arbitration at the International Tri-บ
bunal for the Law of the Sea in January 2013. The Philippines and Vietnam
also encouraged a greater role for the U.S. in managing the conflict, facili-
tating increased U.S. rhetorical interventions, support for regional allies, and
a “rebalancing” of U.S. naval forces into the region in 2012. All these were
unintended consequences for China that derived from its inability to prevail
over its Southeast Asian rival claimants; indeed, its unsuccessful attempts to
influence them brought about precisely the outcomes that it was aiming to
avoid.

Yet, the South China Sea wrangling is the only “hard” case that China has
tested so far in trying to get Southeast Asian states to change their behavior in
instances of conflicting extant preferences. Theoretically, other such cases
would involve strategically important states altering key policies, such as
Vietnam relinquishing its other maritime territorial claims, or the Philippines
or Singapore significantly downgrading their security relationships with the
U.S. Beijing has chosen not to push its neighbors on these most challenging
issues. It is beyond the scope of this paper to explore why, but realists
probably have a “good enough” explanation based on China’s still limited
military capacity, particularly if we look beyond bilateral balances of power.
The U.S. alliance with the Philippines, Washington’s military pivot, and its
expressed interest in open sea lines of communication are reminders to
Beijing that if it chooses to wield coercive military power in the South China
Sea, its capabilities relative to those of the U.S. will determine whether it can
prevail.

EVALUATING CHINA’S INFLUENCE

This article began by asking how and to what extent China has managed to
convert its growing capabilities into influence over outcomes. We established
that influence can be exercised across a range of contexts, from divergent to
convergent pre-existing preferences. Since influence is relational, China’s

71. Michael Swaine and Taylor Fravel, “China’s Assertive Behaviour Part Two: The Maritime
      Periphery,” China Leadership Monitor, no. 35 (2012); Donald Emmerson, “ASEAN Stumbles in
      Phnom Penh,” Asia Times, July 17, 2012; “Panel to Hear PH Case v China Now Complete,”

72. Carlyle Thayer, “The Tyranny of Geography: Vietnamese Strategies to Constrain China in
      the South China Sea,” Contemporary Southeast Asia 33:3 (2012), pp. 348–69; Hillary Rodham Clinton,
effective influence also crucially depends upon how other states react. Focusing on the apparently positive story of Sino-Southeast Asian relations, we analyzed China’s influence as a preference multiplier, a persuader, and by its ability to prevail. This study found that China does not thus far have a significant record of managing to get its smaller Southeast Asian neighbors to do what they would not otherwise have done. Instead, Beijing has successfully harnessed the most notable elements of its growing power—its economic strength and integration into the world economy—by distributing and multiplying the positive effects in economic regionalism initiatives. China has also devoted significant energy to persuasion in the vital debate about the nature of its growing power. Yet, in order to persuade its neighbors to choose one set of beliefs over another, accompanying economic inducement and concrete policy action are essential. In the case of significant territorial conflict, China has not only failed to cause other states to change their behavior but has actually spurred the internationalization, multilateralization, and focus on regional codes and international law that it has tried to steer rival claimants away from.

It may be tempting to conclude that China is not influential because it has not been able to get even its relatively weak Southeast Asian neighbors to do what they otherwise would not have done. But these instances of China trying to prevail over its neighbors’ divergent interests are outliers in Southeast Asian experience. Indeed, the above analysis highlights more complex issues about the nature of China’s influence. China’s overall strategic goals in Southeast Asia have been to pacify and assure the region, in order to achieve stability in the periphery for China’s economic development in the short term, and to create interdependence and goodwill to forestall resistance to China’s leadership and strategies in the long run. Assessed against these goals, the cup of Chinese influence is half-empty, but also half-full.

First, from the point of view of the Southeast Asians, the bulk of China’s attempts at influence have been concentrated in the preference multiplying and persuasive realms. With the exception of the Philippines and Vietnam, even the other rival claimants in the South China Sea disputes tend to share China’s preference to defer these sovereignty questions and to avoid armed conflict. Against this background, China seems to reap significant results from what it sows, even when, for instance, the economic inducements it offers are clearly accompanied by potentially damaging economic competition. Part of the reason lies in expectations: these neighbors, harboring trepidations about
Chinese intentions, have had low expectations vis-à-vis China compared to the other major powers. It is also in these nations’ interest to emphasize Chinese involvement in their security and political economies, to play the “China card” and put pressure on other partners such as the U.S.73

Second, as already discussed, China has so far not made many difficult demands of these smaller states. Their lack of strategic importance can only be a small part of the explanation, given maritime Southeast Asia’s strategic location and the quality of Chinese political attention paid to the region to date. The other way to think about it is that China exerts influence there to the extent that it has been able largely to circumvent serious conflicts of interest. It has managed this by concentrating on the issue areas where its extant preferences and those of its neighbors align, and by emphasizing tools of persuasion and inducement.

This focus on putting aside or preempting conflict in fact accords with liberal scholars’ accounts of China’s strategy to “shape neighboring areas” (suzao zhoubian) so as to avoid isolation. Beijing uses strong reassurance mechanisms and economic ties to persuade others that “Cold War-style containment of China simply could not occur in this era of interdependence.”74 It thus uses the region as a “shield from pressure exerted by other great powers.”75 Instead of focusing on constraining U.S. power directly, China wants to reshape the incentive structure and perceptions of its neighbors so that they would not agree to become complicit in any attempt by the U.S. to constrain China.

Finally, though, this systemic, geopolitical dimension of Chinese influence in Southeast Asia acts as a significant brake on how much China can transform its power resources into the kind of longer-term preference-changing influence it desires. Because Southeast Asian states themselves leverage on Chinese power and putative influence to intensify U.S. and other great power involvement in the region, this in turn offers incentives for China to work less on trying to change others’ deep-seated preferences or ideology than on hitching an opportunistic ride on their dissatisfactions and fears. Therefore,

it is not easy to find good cases of Beijing trying to alter regional preferences about a significant, large strategic issue. But this combination of factors also explains Southeast Asian skittishness in recent years, as the apparent reassurance gained from a decade of Chinese persuasion and inducement has slipped away quickly in the face of more assertive behavior from Beijing.

Ultimately, the path to understanding Chinese influence lies in empirical excavation before theoretical conjecture. We need to assemble significant cases and detailed empirical analyses that trace China’s attempts to influence other states, rather than simply drawing correlations between its capabilities and outcomes. It is of course extremely difficult to excavate clearly the causal links between China’s actions and the policies adopted by other states without intimate access to policy-makers’ convictions and decision-making processes, but studies that can contribute meaningful process-tracing will be invaluable. As this article has shown, China’s record of influence is complex even with the smaller states in Southeast Asia where power asymmetries are significant.

The other articles in this partial special issue of Asian Survey explore in greater detail China’s influence over these and other developing Asian countries in specific issue areas. Together, they reinforce my finding that China demands less from its developing neighbors than we might expect: there are not many cases in which Beijing tries to make these countries do what they otherwise would not have done. Rather, China’s influence takes less adversarial, more indirect forms, either without requiring these states to change their preferences or causing them to preempt Chinese demands. Second, these developing states exploit Chinese interests and stand up to China more than we might expect. As a result, the degree to which China is able to influence its developing neighbors is strongly mediated by both wider strategic competition and these states’ domestic politics. Third, China’s record of influence is mixed, and often unsuccessful, in persuading, inducing, or coercing developing Asian states to do what they do not want to do. Finally, these papers suggest that Chinese notions and practices—as well as our mainstream theoretical conceptualizations—of influence require further development and refinement.