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International Leadership as a Process: The case of China in Southeast Asia

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Abstract

Leadership theory in IR still lacks a coherent approach, and it is analytically useful to use eclectic lenses by combining all factors related to power and the usage of power to gain leadership status. I define the term "international leadership" as a process in which a state mobilizes its resources to influence a group of other states (followership) in order to achieve a common goal. In the empirical investigation, I will focus on China's abilities to lead in Southeast Asia. Despite the fact that there are many advantages for China, the mechanism of transforming power resources into regional leadership is still questionable.

Keywords: International Relations Theory, Chinese Leadership in Southeast Asia, Emerging Powers, Chinese Foreign Policy.

Introduction

In recent years, there has been a growing number of studies about emerging powers related to their power, strategies, roles and the implications of such for the Western-dominated international system. "Leadership", a concept articulated by Western as well as non-Western scholars, strategists and policy-makers, has been applied to analyze the role of regional powers. According to the author's scrutiny, more than fifty English books and journal articles in the IR discipline over a period of five years (2008-2014) have chosen "leadership" either as a phenomenon or an analytical concept to examine the rise of emerging and regional powers (among which, see: Dent 2008; Flemes 2010; Costa Vaz 2006; Flemes 2006; Schirm 2005, 2010; Nolte 2010; Prys 2010; Nabers 2010; Destradi 2010; Flemes and Wojczewski 2011; Malamud 2011; Yan 2011; Kang 2012; Park 2013). Likewise, regional powers as supporter and obstructions to regional cooperation and their roles as middle or emerging powers in global/regional governance have been studied

and discussed (Lake and Morgan 1997; Cooper and Antkiewicz ed. 2008; Adler and Greve 2009; Buzan and Waever 2003).

Attempts to assess emerging power's leading role in international politics have faced great difficulties. Despite more comprehensive and interdisciplinary approaches, so far there has been some limited conceptual clarity over the use of "leadership" with respect to the existing understanding of power and the use of growing material powers, especially when defining the role and performances of such countries in global and regional governance. In particular, as "leadership" is used as an analytical concept, for some reason, it refers both to hegemonic strategies and to the leading integrating role of a power in its region (Schirm 2010; Destradi 2010; Narbes 2010; Yan 2011). The rise of a new wave of emerging powers-led projects was likely to produce greater "places and bases" for more complex interdependence in which the powers could enjoy more leverage, but they also created ambiguities of translating capabilities into desired outcomes in terms of forming a hierarchy between each leader and potential followers. It is, therefore, time to conduct a systematic and in-depth framework of emerging power's leadership projects and the reaction of the secondary states in the region within the context of the new evolving international security environment.

In this paper, I define the term "international leadership" as a process in which a state mobilizes its resources to influence a group of other states (followership) to achieve a common goal. This is a dynamic interaction and an ongoing relation, rather than a static situation or a policy outcome. In this process-approach, three key concepts should be taken into account: changes of distribution of relative power resources, leadership projects, and followership. This study follows the basic assumption that a good performance, in terms of capabilities can be identified as precondition, in other words, it is necessary but not sufficient in itself to gain and sustain leadership in international politics.

We trace the ways in which emerging powers attempt to seek leadership in four phases: (i) at the beginning, there is a sudden shift in the distribution of relative power that favors a rising power by giving it an opportunity to provide leadership projects. (ii) These critical junctures in the power shift not only alter the hierarchy of capacities, but also shape the evolution of the interaction between the "would-be-leader" and other "would-be-follower". The outcomes of this process are the degree to which other related states accept the rising power's projects. (iii) If potential followers agree to join the provided projects of the leader, the level of position hierarchy among them is "institutionalized", which implies that the level of hierarchy can vary over time. (iv) The consequences of this non-followership include (a) an increasing emerging powers' power-base, in terms of creating a new political coalition; (b) building a network of connecting countries in the region, in which emerging powers are hubs while other countries are spokes; and (c) changing the emerging powers' positions in the existing organizations, which can be recognized by indicators such as increasing voting rights or owning veto rights.

For the purpose of this study, the case selection task undertaken here selected the most similar cases in research designs, which means the cases differ in only one dependent or independent variables. It includes cases with the variation in the outcome (both success and failure of the Chinese leadership's project). The analytical objective is a useful way to account for Southeast

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Asian states' varied positions toward China's cooperative initiatives. The case selection stresses a methodological concern: in order to demonstrate most convincingly the effects of explanatory variables, process-tracing (cross-case comparison) is used. By this method, it can be tested better whether "factors left out of the typological framework and that differed between the cases were causally related to the variation in the outcome" (George and Bennett 2005, 252-253). The differences in term of leadership outcomes enable research to figure out factors affecting the aforementioned results.

This paper is structured as follows: in the first section, the existing approaches to the study of "leadership" in International Relations (IR) is reviewed. In the next section, the framework which views leadership as a process with many steps is examined. Within that, a "would-be-leader" uses his different abilities to mobilize the support of a "would-be-follower". In the empirical investigation, I am going to focus on China's abilities to lead in Southeast Asia based on two case studies. Practices within the relationships between China and Southeast Asian states have shown that, despite the fact that there are many advantages for China; the mechanism of transforming power resources into regional leadership is still questionable.

Theoretical approaches to the study of "leadership": Three perspectives

What is (international) "leadership"? Leadership, as Young observes, is: "a complex phenomenon, ill-defined, poorly understood, and subject to recurrent controversy among students of international affair" (Young 1991, 281). An international leader is usually considered a powerful actor who tries to control and guide another who requires power and willingness to utilize the power. This presumption, however, is vague and not quite appropriate to apply to analyze the research focus, which is the transformation from power resources to international leadership.

Other studies show more insights of this field, proving a diverse mosaic from different approaches (Schirm 2005). For instance, the relationship between power and leadership is a question of whether the (prominent) power always leads to leadership. If so, what are the methods or material capabilities used to gain the leading position? Another concern is placed on legitimacy of the leadership willingness, i.e. whether this willingness is transmitted effectively to followers and is accepted by them. If not, what leads to failure?

The following parts do not attempt to tackle all the above questions, but rather review research, ideas and approaches based on the theoretical literature of IR theory. These play a vital role, since some ideas and interpretations of this research will be applied to build up a framework for this study. Accordingly, leadership will be approached by three interactive models which are the hierarchical, functional, and behavioral models.

Model 1: The first model places the perception of "international leadership" in a complex system of powers in the international system. The factors that shape leadership position/status of a country, according to Waltzian neorealism, stem from the capabilities possessed by the great powers. This school understands the world as an anarchy in which no global government exists

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to hold the role of enforcement mechanism, hence the lack of authority to manage countries to follow a certain way. From that perspective, leadership is defined by the capability or, in other words, is the concentration and the expression of capability that can "entitle to command; none is required to obey" (Waltz 1979, 88). Other realist authors share the idea which defines leadership/hegemony as a situation in which one country possesses greater power and can dominate all other countries in the same system (Mearsheimer 2001) or it can control over or govern the system (Gilpin 1981). Natural resources, capital, technology, military forces, economic scale and population are key elements to creating the power of a state. As such, power is regarded as the possession of those material resources, which is also called resources-based power approaches (Fels 2011). The distribution of power in international politics contributes to the features of the international system. There are three types of systems: (i) Unipolarity – this system consists of only one strong power, all other countries are weaker and less competitive than the hegemon; (ii) Bipolarity – in this system, two powers own equivalent power (like in the Cold War); and (iii) Multipolarity – several powers exist at the same time in the same system (Waltz 1979).

The leader, in this context, is the country having enough power to be a unipole (the first type). Unipolarity is defined by distribution of material capabilities. Some other authors have modified this argument by taking "ability" into account in order to compliment calculations of the distribution of capabilities. Huntington's new definition of unipolarity emphasized that this is a system with "one superpower, no significant major powers, and many minor powers". The leading country, according to this argument, would be able to "effectively resolve important international issues alone, and no combination of other states would have the power to prevent it from doing so" (Huntington 1999).

Model 2: The functional model links leadership status with *a* variety of specific functions in international affairs. Under this perspective, leadership in international relations means "pushing for action" or shouldering responsibility in solving international affairs as a saying of Lao Tzu, cited by the Russian Foreign Minister in his recent article "Be the chief, but never the lord" (Ivanov 2013). Those positions depend on the country's contribution in a certain situation. As such, the country as a leader may play the role of an agenda-setter using its capability of figuring out initiatives to overcome ta common difficulty of the international community. Otherwise, a leader can be a mediator sorting out conflicts or disagreements between members of the group. This can help to reduce escalating conflicts and set up regulations or agendas for involving parties in which a state can implement its leadership.

Being seen as a "good international citizen" is not enough; a leader should possess a distinctive international citizenship, providing proposals which attract others to solve the shared problems. The functional model is highlighted by many researchers as essential for a benevolent leader in order to ensure the order and common prosperity of the whole system, especially in the international economic order, according to the viewpoint of Hegemonic Stability Theory (see Kindleberger 1973; Eichengreen 1987). Hard versions of this theory suggest that the absence of an identifiable leader in decisive moments will lead to anarchy and collapse. The global power shift between England and the US in the early twentieth century can be a significant example. When a party

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was losing its leadership, and the other was not ready for taking the leading position yet, the great depression occurred in 1930. Modified versions of this theory come closer to the opinion which assumes that all multilateral cooperative decisions require a leader. Particularly, it says "hegemonic structures of power, dominated by a single country, are most conducive to the development of strong international regimes" (Keohane 1989, 75).

The role of a leader is considered to be crucial as it solves the issue of "public goods". The goods, on the one hand, are necessary for fostering cooperation, but they are expensive and few single states can afford to pay or accept to pay alone. On the other hand, because of the "public" nature, the goods are not private possession, but serve for the common interests of the community. In order to have a successful cooperation, the leader should be able not only to mobilize parties to get involve, but also to bear full expenses of those goods. This can be observed by the role of the US in the European reconstruction through the Marshall Plan, the establishment of the Bretton Woods and GATT systems, or the role of Germany and France in the plan of the European unification. These cases share a common point of respecting the role of a single country as a leader, not highlighting its power. This demonstrates that even if a country holds prominent power, but refuses to lead or play a leading role of a group, it could not be seen as a leader. Depending on the functions, every actor has different opportunities or obligations.

Model 3: Leadership is not an attribute of a particular country, but a sort of relationship, in which the position of each country is determined by the order recognized by the other countries (Clark 2009, 2011). Leadership can only exist once there is followership. In other words, if no countries follow or participate in the proposal suggested by a particular country, it cannot be recognized as a leader. In this context, there should be a distinction between hegemony and leadership, which depends on the objectives of the prominent state. While the hegemon aims "to realize its own egoistic goals by presenting them as common with those of subordinate states, the leader guides – 'leads' – a group of states in order to realize or facilitate the realization of their common objectives" (Destradi 2010, 19). As Clark (2011, 19) pointed out: "Leadership, in this perspective, is not just something that the hegemon 'does' or 'has', but something that international society 'sees'".

There are different kinds of relations between a leader and its followers: collective (like within a group such as a regional bloc) or individual (like a hub and spokes) (Malamud 2011, 3). In this relationship, to be an accepted regional and international leader, a state should pursue a smart and appropriate strategy in order to fulfill the needs of its potential followers, which usually are a combination between either material or economic or persuasive or ideological-normative (Poggi 1990). Joseph Nye's three basic ways for leaders to "affect the behavior of others to get the outcomes you want" are: (i) coercion with threats; (ii) inducing with payments or (iii) attracting and co-opting with cultures, political values and policies (Nye 2004; 2011). Pedersen (2002) presents the concept of cooperative hegemony as a grand strategy of regional powers, which consists of the three preconditions affecting the regional power's ability of opting for the strategy of cooperative hegemony. They are: (i) the "power aggregation" capability (the regional powers' ability to harness the support of the neighboring states); (ii) "power-sharing" capability

(the large country's ability/willingness to share power with the smaller states) and (iii) commitment capability (the large country's ability to make a commitment to all the states in the region to a long-term regionalist strategy).

Within this literature, we can identify some major points when doing research on the concept of leadership, especially when applied to the cases of emerging powers. First, leadership in international relations may contain many dimensions. It can be an individual, an action, a function or a relationship between countries. Thus, once a country is mentioned as rising and becoming a leader, it should be specified the meaning of which the term leadership is understood. Second, power is a compulsory factor composing leadership in international relations. Owning power does not ensure that the power could be effectively transformed to political influences, which partly create the leading position. This should be noticed when studying rising powers because (i) it points out that a country may become stronger, but fail to become a leader (at a region or in the world); and (ii) a country can be the leader in a certain region, but not in other regions, which is described under the name of "issues-based leadership" or "problem-based leadership". Third, examining the rise of emerging powers requires an analytical framework in order to study the object through a process rather than focusing on a single point, which is emphasized by earlier research (except for some recent research of Narbes 2010 or analysis framework proposed by Nye 2011). The author believes that this approach will help to enrich the understanding about power, the way of utilizing power and methods that other countries deal with the power of emerging powers in their interaction.

In this context, I argue that we need use analytical lenses eclectically by combining all factors related to power and the using of power to gain leadership status. In order to make sense of the leadership performances adopted by rising power in their relations with neighboring states, a more process-oriented approach is required.

Combining theoretical lenses:
"the leadership process" and emerging powers

"International leadership" means a set of processes in which a state, with its resources, mobilizes and influences through multidimensional channels a group of other states (followership) to achieve a common goal. It is a dynamic interaction and ongoing relationship, less of a static situation or simply a policy instrument. The process-approach is important "because it is only through the interaction of state agents that the structure of the international system is produced, reproduced and sometimes transformed" (Wendt 1999, 366). It helps us to better understand how interests, relations, and reasons for the decision of actors for different situations "change over time and given the right conditions, which depends in large part on both the context and nature of their interaction" (Ba 2006, 168).

The "leadership as process" framework used here consists of three dimensions: context that focus on changing of distribution of relative power resources in existing order, interactions within

the leadership project that regulate interstate relations between "would-be-leader" and its potential follower, and outcomes in terms of examination of followership. In the process approach, a good performance in terms of capabilities can be identified as necessary, but not sufficient condition to gain and sustain leadership in the international politics. The process of becoming a leader, which can be emerged either by introducing the new initiatives and mobilizing another for a common purpose or "from competition among potential leaders to appeal to win follower" (Park 2013, 93; Burns 1978, 18), is determined by relations in motion; it is the transitional phenomenon which is full of dynamics, rather than an entity. I trace the way in which emerging powers attempt to seek leadership in four phases (see Figure 1):

(i)   At the beginning there is a sudden shift in the distribution of relative power that favors an emerging power. It helps to increase the hegemon's ability to wield influence in other states and allows them the opportunity to provide new leadership. The change in the distribution of relative power resources does not automatically mean the emerging of new of leadership, if rising powers lack formulation of the leadership claim and employment of foreign policy to achieve its goal (Flemes 2010). Seeking the leadership is not about maximizing its power or preserving hegemony, but it is about finding the way to combine resources into successful implementation of regional and global projects in the new context.

(ii)   Given the complexity of the leadership processes, which are very lengthy and difficult to observe and partly still under way, it was argued that the most effective manner to assess the leadership performances of rising powers, thus, is to combine all those components by studying their "leadership projects". Leadership in international politics can emerge either by introducing the new mobilizing initiatives for a common purpose or "from competition among potential leaders to appeal to win follower" (Park 2013, 93). New or alternative "leadership projects" emerge and offer other states attractive opportunities for dealing with the regional and global challenges and start to compete with the other rivals in their attractiveness to potential and existing follower. These critical junctures in term of emerging new "leadership projects" not only chance the existing context, but also shape new structure within stimulated interstate relation among "would-be-leader" and other members. The changing and creating of a new context become plausible given that it modifies the government policy options in a number of ways and stimulates its preferences for (non-)participation in the new projects. Sooner or later, one predominant project will evolve which institutes the framework that determines how many actors are involved, and how it affects the whole structure. Those projects are accepted, established and maintained by actors who can use their power resources effectively by attracting to a particular issue area. Not enough attractive projects tend to dissolve or lose their importance with the construction of well-organized and most by others accepted frameworks (see more Nabers 2008, 2010).

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(iii) The way in which states share common understanding that develop among groups of states about power hierarchy is constituted by the inter-subjective process of recognition. The effectiveness of this process relies on many factors which are temporarily divided into two groups: subjective factors and objective ones. Among the former are willingness of the "leader" (which is the rising powers in this case) and enough tactics to present its projects attractively, persuasively and pervasively. The would-be-leader, through his interactions, creates the (non-)material elements in the system and constitutes a new structure of power, incentives and norm. On the objective side, the outcomes of this process have been powerful drivers of the degree to which extent other related states accept the rising power's leadership projects. As actors interact with each other on a given context, the (new) structural elements affect how the actors see themselves. My model does not emphasize on the establishing of international leadership through the generating of "true" followership developed from the suggestion of the leader, but in their interactions. It puts forward a "two-way" thesis, which holds that while the hegemon changes others, others change the hegemon by pushing a variety of counter-hegemonic projects.

(iv) The consequences of this non-followership include (a) an increasing emerging powers power-base, in terms of creating a new political coalition; (b) building a network connecting countries in the region, in which emerging powers are hubs while other countries are spokes; and (c) changing emerging powers' positions in the existing organizations, which can be recognized by indicators such as increasing voting rights or owning veto rights. In terms of the relations between states, leadership projects provide political space to build new coalitions. For instance, if secondary states have acknowledged China's leadership (by not challenging China and by their willingness to play by the rules of the game), leadership projects can be interpreted both as "weapons of power" and "tools of great power management", in Schroeder's words (cited from Walt 2009, 89). In addition, regional hegemons can use regional projects and institutions to gain influence at global level. Followership through regional agreement or cooperation provides places and bases for the regional leader, implies its power aggregation, enabling and aspiring it to project its power globally[1]. In structural terms, the hegemon creates social structures and regional organizations in order to help them legitimize the distribution of power and system rules, avoid balancing coalitions and prevent the rise of revisionist challenge.
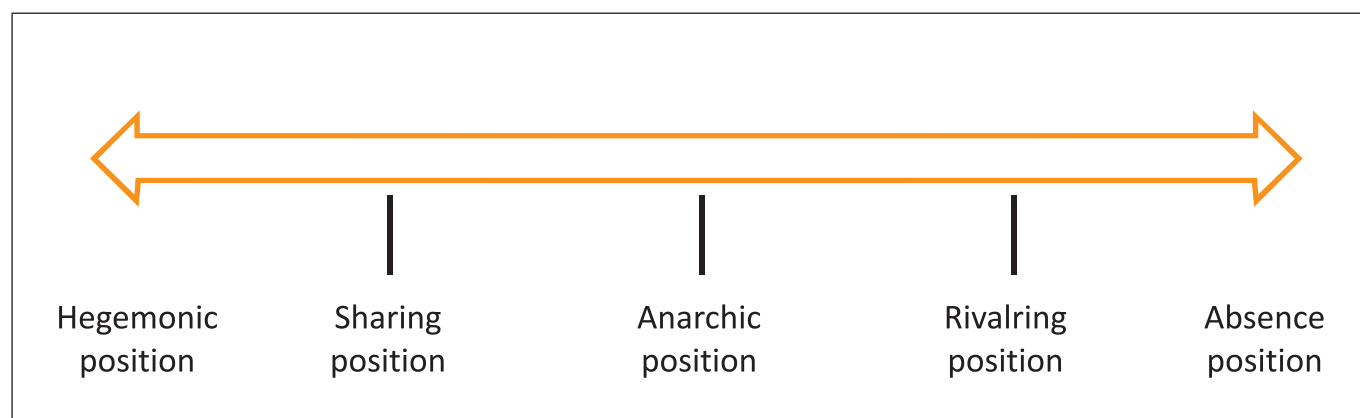
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1 Hurrell (2002, 3) in cases of regional cooperation in Latin America clearly shows that regional powers seek to use a sub-regional institution as a means of increasing its bargaining power and to embed the coalition within the negotiating framework.

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Figure 1: Leadership as process
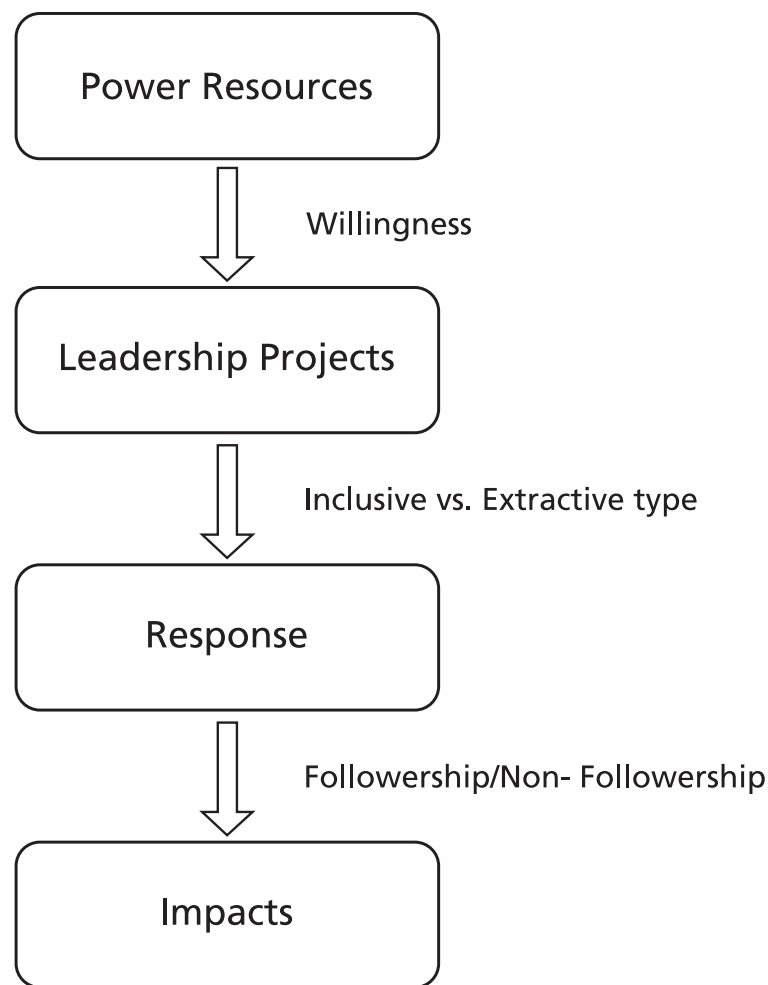
Source: author's compilation

The secondary-state followership is a vital condition contributing to the success of such projects, as well as the new leading position for emerging countries. Depending on the sort of projects presented, followership of secondary states can help rising powers in three manners: establishing a new political-military alliance (both at multilateral level, such as regional organizations or institution, and at bilateral level, such as agreements with single countries), in which emerging powers play the role of dominant states and the other countries are client states; building up a network connecting countries in the region, in which emerging powers are hubs while other countries are spokes. The difference between a network and an alliance is that the network is set up through semi formal ways without creating any official organizations or institutions nor influencing or changing the emerging powers positions in the existing organizations, which can be recognized by indicators such as increasing voting rights or owning veto rights.

Relying on the impact of leadership projects, the outcomes on position of emerging powers can be divided into six possible ideal type. The further towards the right in the spectrum indicates failed projects, and the further towards the left, represents successful ones. The six possibilities are going to be presented below.

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Figure 2: Spectrum of emerging powers potential positon

Hegemonic position | Sharing position | Anarchic position | Rivalring position | Absence position

Source: author's compilation

Hegemonic Position (Rising power on top): in this possibility, due to its successful leadership project, an emerging power will (i) establish a new political-military alliance (both at multilateral level, such as regional organizations or institution, and at bilateral level, such as agreements with single countries) in which emerging powers play the role of dominant states and the other countries are client states; (ii) build up a network connecting countries in the region, in which emerging powers are hubs while other countries are spokes; and (iii) influence or change the emerging powers positions in the existing organizations, which can be recognized by indicators such as increasing voting rights or owning veto rights. The most noteworthy point is that this alliance or regional organization consists of just the rising power and lesser states in the region and excludes the presence of outer powers.

Sharing Position: in this possibility, a rising power, due to its successful conduction of leadership projects, can improve its positions by the aforementioned ways. However, the major point is it cannot exclude the presence of other powers and it has to share its leadership as it aims for common goals. The sharing leadership, on the other hand, still ensures the position of the leaders, which is higher and more important than lesser states in the same region. The term "sharing" especially highlights the transformation authority (and power transformation in terms of power as influence) from an established power to an emerging power (in case of existing organization or institution).

Anarchic Position: This possibility implies to a regional status without any certain orders or systems, in which each country finds its own way to survive. Common challenges (particularly traditional security), thus, will be solved by the principle of self-help. Cooperation between secondary states and powers mostly do not exist, with regard to non-traditional security. In this case, there is no role and authority, as well as it is lacking of institutions or alliances that create leadership of a country over others. In other words, anarchy is the status of a leaderless order, in which no country successfully conducts leadership.

Rivaling Position: In this possibility, an emerging power has to compete with other powers while it is yet to receive support from would-be-followers. This possibility is different from the second possibility of sharing leadership in two main aspects. First, established powers do not recognize the rising power as their equal partner, therefore they seek to establish alliances or partnership

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to balance the rising power (in case of existing organizations or institutions). Second, secondary states have yet to (or have no intention to) accept the leadership of the rising power (both in case of existing organizations or proposals provided by the rising power to create a new organization).

Absence Position (Rising power absence): This possibility completely contrasts to the first possibility. Here, a new structure or a new system will be established by leadership of another power (or other powers) excluding the participation of the emerging power. By this exclusion, the emerging power will have no chance to create alliances nor set up its position in regional orders, and also lose its opportunities to affect the decision-making process of the regional system.

China and the quest for leadership in Southeast Asia

Based on the understanding of leadership as a process with several stages, it is clear that China's economic rise in the past 30 years is merely a leader in the making. China's journey to regional leadership in Southeast Asia may be observed since 1997, which can be regarded as a beginning momentum of the "China century". One of the fundamental changes of global and regional confutation power has taken place, creating a new complex context between power, leadership and followership. In the years following the Asian financial crisis, China considered it necessary to build and maintain a stable order by actively participating on regional leadership exercise in the region and regional institutions, as well as cooperating were regarded as an appropriate approach for achieving its goal.

In many cases, Southeast Asian countries' accommodation and cooperativeness vis-à-vis Chinese proposals have varied; in some cases, they have agreed, in others they have not. In some cases, they accommodated Chinese demands for agreements in order to get them "on board". However, in some cases they resisted important demands from China, or refused to sign a new cooperation agreement. In regard to sources, I use statistical and qualitative data for the period of study from 1997-2013. During my research, I have focused on collecting three major sources of materials. The first one is official and informal documents and speeches of government officials and agencies of China and Southeast Asian countries. Next, I have sought secondary literature and assessments of experts and tried to read between the lines in the texts, where useful elements could be found as clues. Finally, I interviewed foreign policy makers and diplomats, as well as foreign policy analysts, such as academics, journalists and experts on China and international relations in Southeast Asia (national and regional: Ho-Chi-Minh City, Da Nang, Ha Noi, Vientiane, Singapore and Phnom Penh).

Successful leadership in trade: The case of China-ASEAN Free Trade Agreement

At the ASEAN Plus Three Summit in November 2000, Chinese Premier Zhu Rongji proposed the creation of an expert group under the framework of the China-ASEAN Joint Committee of Economic and Trade Co-operation. The objectives of this expert group were to conduct a research

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on the feasibility of the free trade area between China and Southeast Asian states (Yeoh 2007, 4). The formation of the China-ASEAN Free Trade Area (CAFTA/ACFTA) was proposed by Premier Zhu one year later during the ASEAN-China summit. Under this framework, China offered to open China's market in key sectors to ASEAN countries within ten years (Lijun 2003). The formal agreement was signed, as mentioned above, in 2002, in Phom Phenh.

The case of CAFTA clearly demonstrates a regional initiative which was suggested and promoted by the Middle Kingdom in the post-Cold War period. After the accession to the World Trade Organization (WTO), the proposal of a new regional free trade agreement has been a main component in the rise of Chinese economic power. More than just becoming a good partner, China demonstrated its regional leadership by inducting the followership of SEA states by supporting the creation of this free trade area. At the time the CAFTA came into effect, it was not only a symbolic innovation that more formally organized the Southeast Asian states with China at its geo-economic hub, but also narrower in the sense that it "directly challenging the growing primacy of the European Community and the Japan-East Asia bloc and aiming to maintain its superpower position" (Agrasoy 2004, 1).

Along with its growing power resources, CAFTA can be regarded as a first effort in creating a formal framework institution to bind its neighboring countries in the Southeast Asia into Chinese economic and political structure (Ba 2003, 2006). The followership of Southeast Asian states has allowed China to officially "institutionalize" its growing power resources by calling a hierarchical system in terms of ranking relations among related states in effect, which implies the long-term benefits of legitimate rule (Goh 2011). At the level of position hierarchy, China is a dominant state, and other Southeast Asian countries play the role of client states under three following aspects.

First, trade patterns within CAFTA conform largely to a "hub-and-spoke" structure in the economic term, with China located at both the geographical and the economic center in Southeast Asia. For instance, by assuming the region's traditional position of manufacturing, the China-centric regional production network was formed. The Southeast Asian countries import from China the finished product, while they exports raw materials and labor-intensive products for Chinese manufacturing sector (Mu/Siam-Heng 2012, 131-132). Additional researches point out that the construction of CAFTA was driving force for closer bilateral economic and trade relations between China with every single country in Southeast Asia. The spill-over effect is also observed by conducting the deeper cooperation on both sides in ten fields, including "agriculture, ICT, human resource development, two way investment, Mekong Basin development, transportation, energy, culture and tourism" (Jianren 2010). As the CAFTA will fully come into force in 2010, Yuan-denominated trade transactions as become an ever-stronger request in the ASEAN area (Global Times, 04.01.2010). The Yuan promises to emerge as crucial currency and mechanism through which the monetary East Asia coming structure was founded.

Second, the fundamental objective of China is that all nations will see China's rise as a good thing, which brings a win-win situation for the whole region. Hence, Chinese influence depends partially upon an inter-Southeast Asian states convergence around the nature of China's rise for them as a threat or as an opportunity. By drawing them more closely into the Chinese "sphere

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of influence" in the less threatening way, it helps to reduce the "China's threat" posed by its growing power and historical experiences in dealing with China from Southeast Asian states such as Indonesia, Vietnam or Philippines. CAFTA serves not only for the stabilizing Sino-ASEAN political and economic relations, but also for building a crucial milestone to create a peaceful strategic environment, which is critical to China's continuing economic rise. If Southeast Asian leaders agree with China on the way in which Chinese principles and disciplines advocate in the regional economic integration process, Chinese dominance is more assured. More importantly, an emerging power such as China will potentially become in a position to make (not being a rule-taker anymore) that will "institutionalize" its advantage (Ba 2006; Goh 2008; 2011). The construction of CAFTA provides space for it to create mechanisms, both formal and informal, to gain access to the decision-making structures in the regional trade realm with the involvement of all of Southeast Asian states (Greenwald 2006). This would present a huge "hegemonic bargains" in terms of Ikenberry (1999), both in the economy and security realm as an author writes: "ACFTA can also be seen as China's legal response to its growing economic prowess both as a method of engaging its neighbors in a win-win situation and as a means to influence the formation of international economic rules" (Greenwald 2006, 216-217).

Thirdly, the success of CAFTA, in the view of the balance of power in the region, allowed China to exercise hierarchal political control over the rule of the game and the functioning of the order. It is the first time that China acts as a rising liberal power attracting other neighboring states to join its system while excluding the US from East Asia region and competing with Japan as the regional leader (Kulantzick 2007; Beeson 2006). By excluding other major powers (explicit American presence) and promoting an "Asia only" arrangement, a regional hierarchy dominated by China with the subordinate positions of SEA states was established. As CAFTA was being created, it was bereft of support as the vehicle for the more project of building a China-led cooperation. An emerging hemisphere was created, which was labeled as a first outline of a "China-style Monroe Doctrine" (Wang 2009).

Based on the hierarchical division presented in the section of theoretical framework, two indicators show that China is on the good track to improve its position. The first one is that the new forming institution consists of only China and Southeast Asian states. The exclusion of other great powers enables China to guarantee its advantageous power in the game with lesser states. The second one is the new production network, which has just been established placing China at the center and demolishing the exclusive economic structure led by the US or Japan in East Asia. However, it is noteworthy that regional or international trade in globalization is hardly defined by the model of hegemonic leadership, in which one country as the only power leads all other nations. An economist has metaphorically used the image of a "spaghetti bowl" referring to the complexity of FTA signed by countries and still on negotiations (Bhagwati 1995). Likewise, a concept of shared leadership is appropriate when touching upon East and Southeast Asian trading systems. Big powers such as China, Japan and the US, through their free trade projects, try to create trading structures not only to foster common prosperity, but to enhance their economic and political influences as well.

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Figure 3: Chinese position (China-ASEAN Free Trade Agreement)
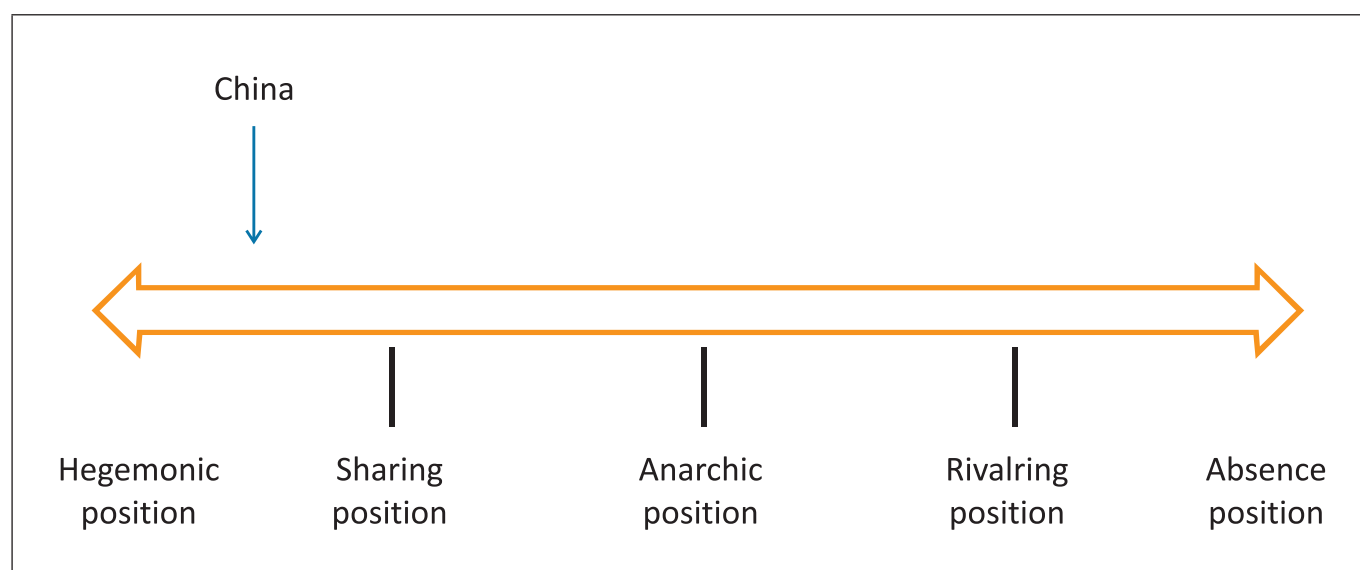
Source: author's compilation

Failed leadership in diplomacy: the case of the East Asia Summit 2005

After the achievement of ASEAN+3, launched in 1997, some suggestion was made by ASEAN leaders of building up an East Asian Community through the ASEAN+3 frameworks (Tanaka 2006). As a result, the East Asia Summit (EAS) – based on the extension of these cooperative frameworks – was created in the mold of an Asian version of the "European Union". The first East Asia Summit (EAS), launched in December 2005, was deemed pleasing to both powers China and Japan when it reached a consensus about ASEAN's role as a driver in the East Asian framework[2] (Ministry of Foreign Affair Japan 2004; 2005). However, in terms of structuring the EAS and approaching membership issues, China failed to persuade most of the Southeast Asian countries to follow its approach, in which the formation of the EAS should be solely based on the APT countries. As such, Beijing sought to eliminate outside countries from participating in this regional organization. Despite China's efforts, the ASEAN countries chose to allow non-regional powers to participate. The EAS was ultimately organized as a non-exclusive regional institutional framework discrete from the APT, including countries outside the region (Malik 2006).

China, with its increasing power in the early 21st century, has created a strong foundation giving this country opportunity to adjust regional diplomatic and political structures among which is East Asia's regional integration. The region is becoming more economically and, to some extent, politically and diplomatically centered on China since the Asian Financial crisis of 1997. The new formation of organizations and institutions may affect the US-led structure in the Asia Pacific which was established since the end of the Cold War in at least two ways. First, the creation of a regional framework for the future with emphasis on the concept of "Pan-East-Asia" based on the

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2   Kuala Lumpur Declaration 2005.

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membership logic of ASEAN+3 excludes the involvement and influences of the United States in any Asian regional institution. Along with China's past success in ASEAN+1 and the transition powers in favor of China in recent times, an exclusive EAS approach would give more weight to China's foreign policy and sphere of influence, a scenario which undermines core US interests and its strategic role (Kurlantzick 2007). As Secretary of State Rice has stated, the United States "has some concerns that the East Asian Summit will be inward looking and exclusive" (Agence France Presse, 25.02.2005). An ASEAN-Plus-Three-based EAS would also "[…] weaken Japan's influence" (Tanaka 2006), as Japanese observers have commented. As a crucial member of the US alliances in the Asia Pacific, Japan will face power competition with China in creating collective framework on economic or even security affairs of East Asia if the EAS does not include the US and American allies.

Another means of influencing the building up of the EAS as proposed by China is that it could enhance "'regional awareness', or the 'shared perception of belonging to a particular community'" (Beeson 2006, 547-548; Tanaka 2006). This regional awareness in the SEA was formed during the economic crisis of 1997, particularly as political response to this crisis. From the perspective of East Asian states, "the contours of post-financial crisis regionalism are, by state design, aimed at restoring to Asia a greater degree of political power and autonomy vis-à-vis the rest of the world, and the US and the international financial institutions it controls, in particular" (Bowles 2002, 245). These consequences give support to the idea reflected in substantial Pan-Asianism that assumes the Unites States' perceived role as an outsider within East Asian regionalism. Excluding the external actors in the EAS, which do not share the same density with the countries in the region, will help to "determine the region's future institutional architecture and the possible development of an East Asian Community" (Beeson 2006, 548; Park 2013). An exclusive regional institutional framework emphasizing the East Asian deal with the outsiders was quite negative from the standpoint of the states.

However, an EAS defined on Chinese terms was not feasible. China's leadership proposal in pursuing the concept of East Asia cooperation was rejected by the majority. Moreover, the outcomes of the December 2005 EAS have shown that Japan's diplomacy was construed as a "very distinct and effective form of Japanese leadership" (Nabers 2008, 24), and was assumed to take a better leadership position when meeting stronger consensus from SEA states. The first EAS was quite distinct from the APT, which included Australia, India, and New Zealand; then its rules of openness and inclusiveness facilitated the US and Russia's participation in 2009. With its more secured role in Asia through the inclusion to the Asian regionalism, Washington would "be better positioned to support the region's democratization; to help shape the future of China – an Asia's key actor; and to tolerate Asian trends and institutions that do not include the US" (Kulantzick 2007, 76). An organization limiting outsiders' participation, especially the US, has not come true and has failed to help China mobilize other countries to accept its (only) leading position heading to a hegemonic leadership in a forming structure in the East Asia (Beeson 2006). This is proven by the absence of the followership mentioned in the section on theoretical framework, which are the establishing a new political-military alliance; building up a network connecting

countries in the region, in which emerging powers are hubs while other countries are spokes; and changing the emerging powers' positions in the existing organizations which can be recognized by indicators such as increasing voting rights or owning veto rights.

Although China was not successful in transforming the EAS to the hegemonic leadership position in the spectrum, the chance that this mechanism becomes a sort of "sharing leadership" after 2005 has been happening. For China, this is the next step after its success in the multilateral approach with the formation of the Chiang Mai Initiative (in 2000) and the CAFTA (in 2002). Not being able to exclude involvement of the outsiders, China accepted a role in sharing the leading position with other powers when establishing the East Asian community. China holds a special higher position than small and medium states in the region, and the EAS may be a game only for the US and China. However, the EAS structure can ensure that a country will not have a chance of becoming a hegemon and dominating other states in the region, despite its continuous development both in terms of economics and military. China may need more "reforms" to lead the EAS diplomatic structure to the path that Beijing desires.

Figure 4: Chinese position (East Asia Summit 2005)
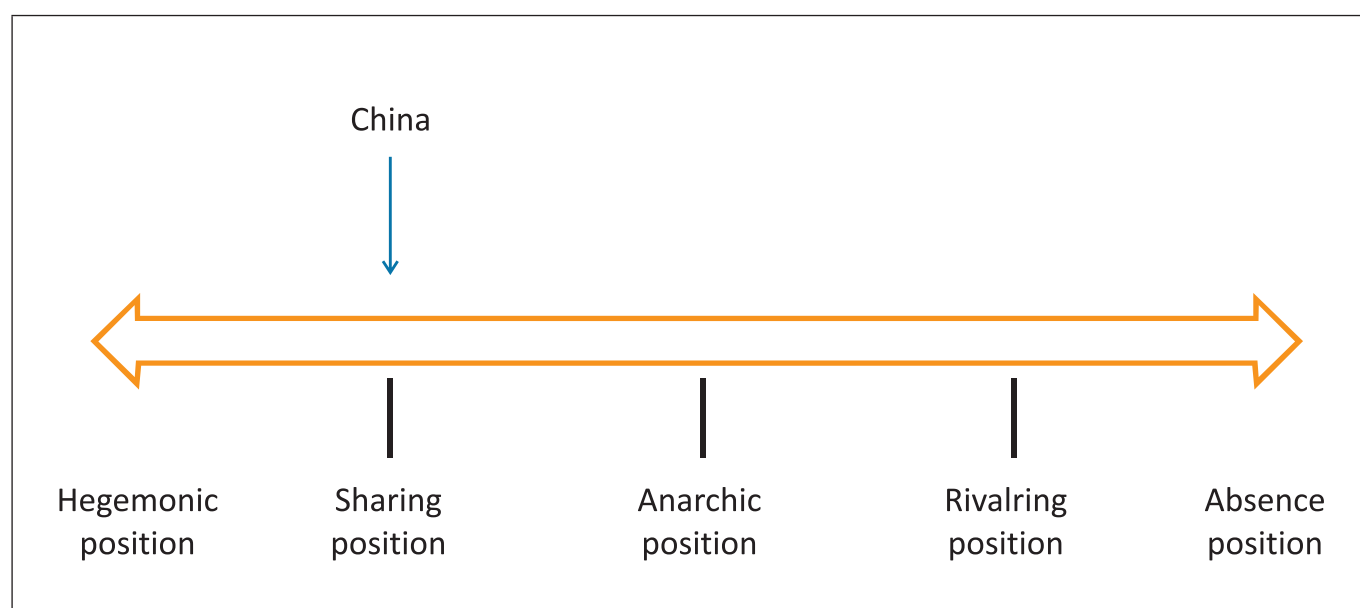
Source: author's compilation

Conclusion

The process of China becoming a regional leader is in the making. Examining this process in the Southeast Asian region demonstrates that China has gained some specific success with its leadership projects. However, variation in the behavior of Southeast Asian countries in multilateral settings (focusing particularly on their strategic choices – varying between cooperation, rejection or withdrawal from China's initiatives – vis-à-vis China's leadership proposals) is empirically observed. These oscillations provide an incomplete account of regional dynamics, when a powerful

China is not always able to "do what it wants" to achieve its goals from relatively weak Southeast Asian neighbors, who prefer to follow the Chinese initiative and only recognize China as regional leader in some cases.

China's position in the Southeast Asian region has improved, but there is no (or not yet appearing) China-led system or a Sino-centric Regional Order. With a successful project, China has created a regional network (such as China-ASEAN Free Trade Agreement). However, even though China has been somewhat successful, Southeast Asia is still far from a scenario of a China-led system or a Sino-centric regional order. In Southeast Asia, there is no organization or network which places China at the center or in which China plays the role of the monopoly hegemon excluding the involvement and influence of other powers within the region, such as Japan, or outside the region, such as the US and India. China is also not assessed as a veto-power in regional organizations it is a member of.

Rising powers sometimes do manage to adopt "efficient and smart" strategies to become great leaders, but these are historically rare cases. They differ in their leadership performances because of the different organizational techniques used for their leadership projects, how they influence the order, and the incentives that motivate other states to follow. The effectiveness of such projects is not "exogenously given"; it depends heavily on the inter-subjective interaction and evaluations of the reactions of others. The lesson for "would-be-leaders" from this research is that effective leadership should be built upon motivating other participants in the governing process rather than using force to punish deviation.

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