

# **The Nexus of Economics and Security in East Asia or: Should We Learn to Stop Worrying and Love China?**

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## **Review Essay**

Avery Goldstein and Edward D. Mansfield (eds) (2012) *The Nexus of Economics, Security, and International Relations in East Asia*. Stanford Security Studies, Stanford, Ca.: Stanford University Press (ISBN 978-0-8047-8273-9, cloth; ISBN 978-0-8047-8274-6, pbk.)

The importance of security issues in the international relations of East Asia is nothing new to academia. It has been widely analysed long before the topic moved to the centre of world attention with the escalating territorial conflicts in the South China and East China Seas. However, this edited volume is one of the first to approach the issues from an international political economy perspective, focusing on the linkage between security and economics. The book grew out of two conferences sponsored by the Christopher H. Browne Center for International Politics of University of Pennsylvania. It is edited by two Browne Center scholars, Avery Goldstein, a China expert, and Edward D. Mansfield, a leading name in the IPE of trade and security, and brings together recognised American and Chinese scholars. The volume promises to throw light on one of the most complex issues in current international politics: the interaction of economic interdependence in the East Asian region with the challenges to regional security and international relations associated with the rise of China to regional power status.

China's rise does not only pose a challenge to East Asian economic and security relations. It also challenges IR and IPE scholarship to advance analytically well-founded understanding of this phenomenal change. From an

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IR point of view it is becoming increasingly obvious that the era in which China followed Deng Xiaoping's advice of 'hide your capability and bide your time' is drawing to a close. Instead China's new regional assertiveness, especially in the East and South China Seas, tries to 'redefine the status quo', as 'The Diplomat' magazine put it. China is using strategically economic control over national markets and international investment flows to press its high politics claims, especially in maritime territorial affairs. Consequently, not only do we face a region in which the rising regional power implicitly challenges the status quo by outlining its own Monroe doctrine for East Asia, as the Financial Times recently suggested. It also is backing up this challenge by using its central position in regional economic interdependence as a tool of statecraft to exert political influence over its regional counterparts. To complicate the issue further, this major shift in the nexus between security and economic regional relations has to be interpreted in the light of the reaction and response of the other two major powers with a stake in the region and by taking account of the regional regimes of economic and security cooperation. How do Japan and, arguably more importantly, the U.S., as the region's traditional stabiliser, interact with the China challenge? How good are institutionalised regional cooperation frameworks such as ASEAN-Plus-Three in managing the growing geo-economic and security tensions? And, last but not least, what is the domestic nature of China's rising power? How does its internal political economy and politics interact with the country's external political-economic and security strategy in East Asia? This volume has to be evaluated as to whether it can address these underlying issues behind the increasing uncertainties characterising East Asian international relations. Where is China's much advertised peaceful rise heading for? Should we realistically worry about regional military clashes with hard to calculate potential for all-out escalation? Can we rest assured that regional economic interdependence can be trusted to discourage power politics about territory - exploiting economic vulnerability - from turning into open conflict?

How good are the chapters in this edited volume in addressing these concerns? Overall, the contributions are informative, covering a wide range of issues, perspectives and analyses, as one would expect from an edited volume. However, the contributions are of mixed analytical value, depending on the author and the topic covered. Clearly, the strength of the book lies in addressing in a competent and multi-faceted fashion important issues of the economics-security nexus. But the volume, to some extent, tiptoes around the elephant

in the room: the problem of China's growing regional assertiveness. This is a weakness which leads to the impression that the book somehow fails to live up to the challenge. However, as a good academic basis for an analysis of the new regional economic and security dynamics and as a collection of succinct contributions investigating diverse and important aspects of East Asia's economy-security nexus, the volume is valuable for both research and teaching. Regrettably, originating from Sino-American academic cooperation, the edition is short of an analysis dedicated specifically to explaining the complexities of Japan's role in the East Asian political economy and security concert. This is a pity, given the critical role played by Japan - its regional economic exposure and the interaction of its domestic political problems with the security issues in the East China Sea.

The contributions in this volume can be roughly grouped into traditional Western IR-style rationalist analyses - realist and liberal-institutionalist - on the one hand and more interpretative constructivist approaches with often Chinese characteristics on the other hand. There exists a tangible divide between American authors and their Chinese colleagues, with the US academics taking a more analytical and factual stance whereas the Chinese scholars, with the exception of Zhang Tuosheng, prefer a more speculative and interpretative perspective. Some chapters focus on regional institutionalised economic cooperation and the potential of those regimes to manage and defuse the region's severe security issues, whereas others analyse these security issues in the light of IPE. The final chapter by Yuan Peng deals directly with Sino-U.S. relations.

The volume starts with Avery Goldstein's and Edward D. Mansfield's introductory chapter on 'The Political Economy of Regional Security in East Asia', an excellent overview of conceptual approaches to thinking about East Asian IR and IPE and the issues at stake. The authors start from the question of what explains the remarkable long period of peace and rising prosperity in the region and how enduring this fortunate trajectory can be expected to be. As they demonstrate, on the one hand regional interdependence is intensifying. On the other hand military rivalry and military spending, especially by China, is increasing at a worrying scale. Especially maritime territorial disputes are on the rise. In addition, the old regional tensions surrounding North Korea and Taiwan remain unresolved. They rightly identify that the key parameters for an interpretation of this complex situation are the rise of China and the role played by the U.S. in the region, and consequently the issue of Sino-U.S. relations.

Reviewing main IR paradigms, they point out that it depends on the approach chosen whether these regional issues are best approached by assuming that economic integration and prosperity generate peace or vice versa. Realists point at U.S. hegemony as the basis for regional stability whereas liberals emphasise economic interdependence. Given the rise of an increasingly revisionist China, realists display growing pessimism about the durability of East Asian peace. Liberals, on the other hand, put hope in regional economic interdependence, risking neglecting that asymmetric interdependence in East Asia also means dependency and vulnerability, potentially leading to conflict. Finally the two authors point at the importance of regional institutional analysis in establishing whether the regional regimes of East Asia can be expected to underpin enduring peace. Can regional cooperation, despite its organisational weaknesses, facilitate understanding and peaceful relations of regional actors? They conclude that a more comprehensive understanding of the economic and security reality of the region requires a multidimensional conceptual approach, something which is indeed offered by this volume.

Miles Kahler from the University of California, San Diego, offers a highly recommendable, well organised and consistently argued contribution on the regional institutional dimension ('Regional Economic Institutions and East Asian Security'). Critically questioning the liberal contention that the 'Kantian tripod of democracy, international organization and economic interdependence' will enhance regional security, he investigates systematically the potential of East Asian regional economic institutions for their capacity to prevent inter-state conflict. His conclusions are sobering: whereas grave security conflicts in the region, in particular between the regional powers China and Japan, but also including South Korea, Taiwan and North Korea, are potential inflammatory, regional institutions have failed so far to produce even the beginnings of something resembling a security community. Measured against the ideal-typical demands regional institutions would have to live up to for an effective promotion of security, Kahler demonstrates that the specific type of regional institutionalisation in East Asia fails on almost all counts. Firstly the authoritarian/democratic regime divide characteristic for East Asia stands in the way of a meaningful homogeneous peace community based on shared values. Secondly, regional economic interdependence in East Asia is the outcome of a market-driven, rather than a politically driven process, with mutual suspicions prevailing among nations that are closely guarding their national autonomy. This defensive attitude to pooling sovereignty

stands in the way of strong institutionalisation. Characteristically, so far regional trade agreements between the three powers most likely to drift into maritime territorial conflict, China, Japan and South Korea, are missing in the regional FTA architecture. Furthermore, as far as existing institutions are concerned, there is a strict division between the economic and the security aspects, leaving security within the realm of national sovereignty. Thirdly, the specific approach of East Asian region-building, the highly informal and open ASEAN or Asian way, which avoids supranational legalisation or strong governance structures, is ineffective. It militates against the creation of regional institutions which could play a substantive role in promoting and maintaining peace. As Kahler puts it, the Asian 'convoy model of membership', in contrast to the European 'club model', setting membership by vague geographical criteria rather than policy stipulations, is designed to preserve rather than pool national sovereignty, especially when it comes to issues affecting security. Consequently this model cannot be expected to have much of an impact on defusing conflict by prompting information sharing, peaceful bargaining around security issues or socialising member-states towards a fundamental transformation of their identities.

The conclusions arrived at by Kahler's sceptical analysis contrast with the other two contributions which address the potential of East Asian regional economic institutions for security cooperation: Benjamin J. Cohen's 'Finance and Security in East Asia' and Wu Xinbo's 'The Spillover Effect of the ASEAN-Plus-Three Process on East Asian Security'. Benjamin J. Cohen (University of California, Santa Barbara) offers an inspiring, but somehow "bipolar" argument on the prospects for the nexus between financial cooperation and regional security in East Asia. On the one hand he delivers his well-known realist benchmark analysis that the prospects for regional financial and monetary cooperation in East Asia are bleak, given the high politics of security tensions in the region. In his words, 'the real problem lies on the political side, where security tensions dominate. For all the talk of financial regionalism in East Asia, little real progress is possible without a significant moderation of underlying rivalries and animosities'. Furthermore, he rightly locates these problems in the context of great power rivalry for regional hegemony, with China, Japan and the United States jockeying 'for position in a wary pas de trois'. This is sound realist analysis. It logically concludes by drawing on Hegemonic Stability Theory: what is missing in East Asia for a breakthrough to meaningful cooperation in finance and even currency management is regional leadership by one asymmetrically strong power.

Since neither Japan nor China do qualify for such a role, such cooperation remains elusive.

But Cohen then shifts to a rather positive assessment of the actual prospects for East Asian regionalism, not only to govern economic interdependence and facilitate further integration, but also in the area of regional security cooperation. He manages this change in his narrative by switching to from a realist argument to one more along the lines of liberal regime theory and constructivism. The liberal aspect, the argument that there is a strong and unambiguous case for institutionalised regional economic cooperation, is questionable. Cohen points at dense regional production networks and econometric analyses that East Asia fulfils the criteria of optimum-currency-area-theory to argue that the political economy case for institutionalised financial and even monetary cooperation is strong. In addition he asserts that, as the case of Europe has demonstrated, 'obstacles to cooperation among states – no matter how seemingly prohibitive – can be overcome if political will is there.' However, as Cohen admits, structural divergence among East Asian economies is substantial. Furthermore, his view that in matters of monetary affairs little domestic resistance to cooperation is to be expected and that positive OCA econometrics is enough for sustainable cooperation in exchange rate management looks weak in the light of the Euro crisis. Cohen seems to underestimate the politically and economically highly demanding nature of especially monetary integration in regards to domestic adjustment, compared to simple regional trade liberalisation.

This leaves Cohen's hopes for a spillover from deeper regional economic cooperation to security cooperation, based on the constructivist logic of socialisation towards shared identities and interests of national policymakers who engage in regularized contacts. Cohen expects that the common understandings developed in the epistemic community of policymakers concerned with economic cooperation might spill-over towards policymakers concerned with national security. As he puts it, 'it is hard to believe that finance and foreign ministers do not talk to one another on occasion, sharing their impressions on relations with regional neighbors'. The idea that such occasional conversations could defuse the deteriorating security dynamics in East Asia seems fanciful. Cohen is aware of this, premising his hopes on a quantum leap in regional financial and monetary cooperation. As he explains, realistically such a jump is likely only if the current equilibrium of low-intensity economic cooperation, unsuitable for managing regional security conflicts, were punctuated by an external shock. Such a shock

could result from the current global financial meltdown, with the systemic crisis acting as catalyst for a move towards deepening economic regionalism opening the avenue towards a security community.

Wu Xinbo, from Fudan University, offers an unashamedly optimistic, highly interpretative chapter on the potential of the ASEAN-Plus-Three (APT) process spilling over into meaningful East Asian security cooperation. Arguing mainly from a social constructivist viewpoint, his optimistic predictions for an emerging regional security community might convince readers coming from the constructivist school of IR. Those who keep an eye on the deteriorating security relations in East Asia, especially in the light of recent developments, might be excused for suspecting that the author looks at reality through rose-tinted glasses. Wu's argument starts from the social constructivist interpretation of the ASEAN way put forward by Amitav Acharya: despite the fact that regional economic institutions are 'relatively primitive at this stage', they are promising, because they suit East Asian societies' process-oriented approach to cooperation. Expanding on this reasoning, Wu sees APT cooperation as a successful first step towards constructing an East Asian security community including current adversaries such as China and Japan. This is not because East Asian regionalism has much to show in terms of results, but because it is a process whose 'primary function is to enable actors to socialize with one another and build connections'. Such social interaction has the potential to create a shared identity on common regional security, because 'social interactions can increase mutual understandings and mutual trust, expand connections, and develop friendship and affinity among states.'

Obviously, the rising tensions in the South and East China Seas, acknowledged by Wu, do not appear to be supportive of such assumptions. But, similar to Cohen, Wu sustains his optimism by drawing on liberal concepts of functional and ideational spill-over: growing regional economic interdependence is seen as spilling over to effective cooperation in security-related areas, supposedly already evident in the large number of agreements and conferences addressing nontraditional security concerns and declarations of conduct addressing maritime security issues. The fact that all these meetings, conferences and declarations have not prevented the current escalation of tensions between China on the one side and Japan and South East Asian littoral nations on the other side is explained by Wu by three factors: cold-war thinking, the continuing central

role of the U.S. in East Asian security relations impeding the development of interregional security, and re-emerging nationalism especially in Japan. That no serious military clashes have taken place so far is taken as evidence that East Asia has already converged to a distinct autonomous regional norm of peaceful resolution of conflicts. This is, from Wu's perspective, most visibly demonstrated by China's avoidance of using PLAN navy vessels in the current island disputes and its repeated assurances of its peaceful and friendly intentions. Interpreting the manner in which the maritime security tensions escalated recently as indicating a broader trend towards a pluralistic security community displays a preference for fiction over facts often found in weak constructivist analyses.

In contrast, Zhang Tuosheng from the China Foundation for International and Strategic Studies, in 'Disputes over Territories and Maritime Rights and Interests: Their Political Economic Implications', offers a solid, detailed review of the territorial disputes plaguing East Asia and their prospects for settlement. He manages to cover the whole range of disputes with or without Chinese involvement - from South East Asia to Russia, South Korea and Japan. The article is well organised along the lines of territorial versus maritime disputes, both of which are analysed for the political, security and economic interests at stake. Zhang concludes that, whereas territorial land disputes have been resolved or are manageable, it is the maritime disputes which constitute the greatest source for concern, given the geo-political strategic and geo-economic resources-related issues at stake. What makes these conflicts particularly protracted is the negative interaction between economic and security concerns. Zhang realistically concludes that in cases where 'critical political, security, and economic interests are involved, the extent of improvement will be limited.'

Adding to Zhang's realist review of potential conflicts, Danielle F. S. Cohen and Jonathan Kirshner from Cornell University present a fascinating and insightful analysis of a theme of central importance for the region's political economy: the issue of energy security. In their article 'The Cult of Energy Insecurity and Great Power Rivalry Across the Pacific' they start from the novel assertion that great power rivalry between the U.S./Japan and China about securing the sources of, and the access to oil and gas is based on a myth. They dub this myth a 'cult of energy insecurity', rooted in the false belief that the energy lifeblood of their economies can be threatened by hostile powers and that this risk can be redressed by appropriate foreign policy and security strategies.

As the authors put it, 'most threats to energy security are imagined, but even for those few concerns that are real, there is little that states can do about it'. Since the geo-strategic reality of world oil supplies and transport links is such that China cannot realistically expect to disrupt U.S.-backed Japanese energy security, nor can the U.S. realistically hope to cut off China, the real threat to oil supplies comes from oil's volatile world market price, not its availability. The authors consequently contend that 'price, not power, will determine where the world's oil will go and how it will be used'. This price, they argue, is a function of the operation of global energy markets rather than of power politics. Whether this assertion is realistic remains open to debate. Not only does it neglect the linkages between oil prices and international security tensions affecting the Middle East and the critical supply routes from that region, it also seems strangely oblivious to historical experience, especially the highly effective US embargo policy against Japan leading up to the Second World War.

Whether concerns about energy insecurity are a cult or not, they matter greatly to the regional powers' perceptions of vulnerability, confirmed by the two authors' impressive geo-political analysis of the energy strategies of the U.S., China and Japan. Their conclusion is as original as it is alarming: even if the perceived vulnerability to energy insecurity never materialised, the risks of geo-political and geo-economic strategic rivalry spilling over into confrontation are substantial. The three paths to potential international conflict suggested by the authors are first China's cultivation of close ties with resource rich nations such as Iran, Sudan or Venezuela, all of which are in conflict with the U.S., secondly the evolving naval competition in the Western Pacific and the potential for a security dilemma building up between China on the one side and Japan and the U.S. on the other side, and finally the competition for control of natural gas fields which contributes to escalating tensions between China and Japan in the East China Sea. Given the recent worrying developments in all three areas, whether it is China's ambiguous stance on sanctions on Iran, its high sea naval build-up or the escalating Senkaku/Diaoyu dispute, Cohen's and Kirshner's chapter stands out in this book as one of the most prescient pieces of analysis.

Whereas Zhang and Cohen/Kirshner approach the geo-economic and political questions from a systemic-regional level, M. Taylor Fravel from the Massachusetts Institute of Technology, in 'Economic Growth, Regime Insecurity, and Military Strategy: Explaining the Rise of Noncombat Operations in China',

makes an important contribution by bringing in the relationship between China's internal political economic dynamics and its external security strategy. This goes to the heart of the current security problematique in East Asia: will China's rapid economic development and rise to regional power continue to be peaceful or lead to regional military conflict? Bringing in the otherwise in this book neglected 'second image', Fravel's analysis starts from the domestic challenge to China's authoritarian regime of maintaining increasingly imbalanced and fragile rapid growth to prevent social unrest and hang on to power. Linking Chinese domestic strategy aimed at ensuring regime survival to China's regional military strategy, Fravel's investigation comes to a surprising conclusion: unbalanced rapid growth and resulting domestic regime instability has 'reinforced China's interest in external stability'. This analysis, which 'provides cautious ground for limited optimism' as to China's rapid military modernisation and expansion, is based on two assumptions: first that China's growing dependence on regional and global markets and resources gives it a stake in maintaining a stable and secure external environment, since any disruption to international commerce could spill over to domestic economic disruptions, declining growth, and consequently social unrest. Secondly, given China's growing social, political and ethnic internal tensions and fragilities, China's authoritarian leaders still see the military first of all as an instrument for maintaining domestic stability, resulting in an orientation of military capability-building mainly towards preventing or suppressing domestic unrest. Consequently Fravel argues that 'the continued domestic orientation of China's armed forces' and its international interest of maintaining 'security of trade routes and sea lanes of communication' has led to a strategy of military modernisation which focuses on domestic and international noncombat operations rather than on long-range power projection capabilities to fight regional wars. The thesis that China's domestic fragilities and the threat this poses for regime survival has resulted in a peace-oriented and stabilising international military strategy stands in marked contrast to the diversionary hypothesis on internal instability: that desperate authoritarian leaders will try to deflect attention from domestic problems by provoking international conflict. Fravel bases his conclusions on extensive statistical analyses of military data and official statements. Whether his thesis will stand up to reality is questionable. The link between recent mass-mobilisation politics within China and escalating maritime tensions with Japan lends empirical support to the diversionary hypothesis. Furthermore, China's rapid high-tech strategic build-up of its navy, including ballistic anti-ship missiles, and air force, including 5<sup>th</sup> generation stealth fighter

jets, belies a mainly noncombat orientation of its military modernisation.

Almost as an antidote to Farvel's analysis of China's military capabilities and strategy, Michael C. Horowitz from University of Pennsylvania, in 'Information-Age Economics and the Future of the East Asian Security Environment', offers a potentially alarming analysis. He challenges the standard liberal hypothesis that China's continued peaceful rise can be taken for granted because the rapid economic growth of China took place via intensifying regional economic interdependence. Presenting a unique technology-based analysis, he focuses on the link between economic interdependence, the global spread of commercial information technology, and the risk of a destabilising regional security dilemma. Horowitz concludes that the spread of these new technologies gives especially emerging China the ability to produce innovative military technologies for offensive power projection to challenge the status quo, even in the face of a seemingly insurmountable military and technological edge of the United States. Since the East Asian region contains enough cause for conflict, a competitive development of new high-tech strategic capabilities is likely to destabilise the fragile East Asian security environment. With the caveat that such predictions are speculative, Horowitz points especially at China, whose sense of rising relative power might in his view be further increased by these new offensive capabilities, with potentially dangerous consequences. This is good realism, investigating the effect of a new quality in the dynamics of defence competition, brought in by technology and globalisation, on great power competition in the region.

Last but not least, Yuan Peng from the China Institute of Contemporary International Relations, in 'The China-U.S. Handshake in Northeast Asia: The Key to Dual Stability in Bilateral Ties and Regional Equilibrium', presents the only essay which directly addresses the relationship between the U.S. and China. Yuan rightly identifies this relationship as decisive for the economic and security prospects of the region. After reviewing four competing Chinese perspectives on this relationship, he supports a view which predicts enduring and even enhanced cooperation in the economic and security field between the two powers, despite growing strategic and economic competition and conflicting views and policies on the North Korean, Taiwan and the East and South China Seas maritime issues. Underlying this analysis is the thesis that current tensions between China and the U.S. are mainly rooted in the problem that the United States' attitude to the East Asia region and China's rise is still shrouded in the shadows of the Cold War,

failing to fully appreciate that China's resurgence represents part of a 'collective rise of the non-Western world'. Once the U.S. overcomes this attitude problem, the path to constructive co-management of the region will be opened. This is the well-known "Cold War mentality" thesis propagated by Chinese academia, suggesting that U.S. views of China are somehow caught up in a slightly neurotic perception of the world which is out of touch, unable to acknowledge reality. In this idiosyncratic Chinese version of constructivism the West in general and the U.S. in particular have to learn to understand that 'China has adopted an independent path of peaceful socialist development with Chinese characteristics' which considers East Asia as 'the apple of China's eye', whereas America's core interests supposedly lie outside the Asia-Pacific region. Yuan then identifies the continued centrality of the security alliance with Japan in America's East Asia strategy as a hallmark of this outdated Cold-War legacy and suggests promoting a trilateral regional dialogue instead.

Given the economic interdependence of China and the U.S. and the economic logic for cooperation, Yuan predicts that the two countries will embrace innovative mechanisms for security cooperation to 'usher-in a future-oriented political atmosphere of enduring peace and prosperity'. How this new warm breeze of peace is exactly going to come about, given the reality of an increasingly harsh climate of rising competition and tensions between the two countries, is not explained in any detail by Yuan, who simply points at the need for the U.S. to free itself from the 'Cold War straitjacket'. As to China's role in this, he leaves us with vague assurances that everything will work out if the U.S. only understood and accepted China's regional policies as the new stabilising standard for a joint management of the region. Yuan's assertions are representative of what Michael S. Chase, in the Jamestown Foundation's 'China Brief' (2012/17), identified as a growing school of Chinese authors who call for a 'new type of great power relationship' between the US and China. As Chase explains, the most problematic aspect of this new Chinese vision of U.S.-China relations is that 'it appears to require Washington to accommodate China's interests and to do so largely on Beijing's terms - apparently without reciprocal adjustments'.

To conclude, this edited volume combines contributions from a rationalist perspective, combining liberal-institutionalist and realist IR and IPE, with those from a more social constructivist angle. The rationalist essays generally impress by solid factual analysis of major features and issues relevant for an

understanding of the deteriorating dynamics of the security-economy nexus in East Asia. Furthermore, the rationalist approaches include one article, the contribution of M. Taylor Fravel, which distinguishes itself by taking the domestic-international interaction in regional security analysis seriously. Social constructivist contributors, speculating on the benign effect of continuous dialogue and cooperation on the prospects for future understanding and friendship in the region, display an amazing disinterest in the specifics of the domestic construction of conflicting national identities. They might be excused for the omission of discussing the political economy and security dimension of Japan's nationalism, since none of the authors is a Japan specialist. However, the lack of analysis of the rising and increasingly fierce nationalism in China, from a regional security point of view an extremely worrying development, and its link to the fragile domestic political economy and internal politics of the country, is a different matter – here contributors avoid the issue by shifting the focus towards perceived problems of international misunderstandings. Because the constructivist arguments avoid addressing the linkages between the domestic socio-economic contradictions of China's variety of capitalism, the construction by the Communist party of a fiercely nationalist narrative to legitimise its rule, and an increasingly assertive regional foreign policy stance, they fail to provide a convincing case for why the regional dynamics is not as concerning as it appears to be. Instead the constructivist argument risks substituting optimistic idealism for proper analysis. In the end, we are left with little more than an appeal to become friends on the lines of that famous scene in the movie 'Mars Attacks!' in which Jack Nicholson, playing the U.S. President, tries to open a conversation with the Martian leader with: 'Why can't we work out our differences? Why can't we all just get along?'. Consequently constructivist reasoning in this volume cannot dispense worries that the alarming developments in regional security and economic relations are not just a temporary hiccup but might spiral out of control.

Proper IR and IPE analysis of the nexus between economics and security in East Asia cannot afford to pay only scant attention to the domestic dimension of the revisionist regional foreign policy strategy of a key regional actor - China. Of course, Chinese commentators prefer to keep internal economic and political issues strictly separated from the international discussion of the country's regional strategy. They consider Western analysts drawing a connection between these two areas as interfering in China's internal affairs. However, especially when it comes to East Asian international relations, George Orwell's famous

observation that 'war, it will be seen, is now a purely internal affair' is to the point. New IPE scholarship is fully aware not only of the problematic link between economics and security in growing regional interdependence, but also that the analysis of the international economic and security strategy of great powers has to take account of its interaction with domestic politics. It would be regrettable if this insight were suspended when it comes to analysing China in the nexus between economics and security in East Asia.