

## **The Role of Trust in China-ASEAN Relations – Towards a Multi-level Trust Building for China and ASEAN**

*Huang Haitao\**

Nankai University, Tianjin, China

### **Abstract**

Trust/distrust is a key concept in explaining the chaotic essence of international relations. In recent years, many observers have expressed their deep concerns on the deterioration of mutual trust between China and some ASEAN countries. In fear of the rising threat from China, ASEAN countries have adopted a typical *hedging* strategy by relying on deeper involvement of the US, especially, on security issues. From China's point of view, it is very disappointing that robust economic ties cannot earn true friendship. The fundamental drive for the distrust poses a *security dilemma* in the Asian-Pacific region. A possible way-out is to build up mutual trust through multi-level endeavours, which would provide incentives to relieve deep anxiety and uncertainty brought by international anarchy. China's "Belt and Road Initiative" is one of those efforts to pacify and reward the neighbouring countries.

**Keywords:** *China-ASEAN relations, South China Sea dispute, trust deficit, the Belt and Road Initiative*

*"It's a vice to trust all, and equally a vice to trust none."*  
— Seneca's Letters to Lucilius

### **1. Introduction**

In recent years, China-ASEAN relations were getting more or less complicated and hard to comprehend. On one hand, China and ASEAN countries have established strong political and economic ties. In 2003, China and ASEAN declared the formation of a bilateral strategic partnership. Then, the ASEAN-China Free Trade Area (ACFTA) came into being in 2010, which was the first free trade area between China and foreign countries with the

largest population in the world. And with the rapid economic growth, China and its Southeast Asian neighbours have benefited a lot from the increasing volume of trade and investment. From 1991 to 2015, the bilateral trade volume between China and ASEAN has increased from 6,300 million to 472,000 million US dollars. China is now the No. 1 trade partner of ASEAN. Everything seems to be thriving and promising. On the other hand, observers of both sides realize that the “*Rise of China*” is a double-edge sword with ambivalent meaning – not only chances for further growth and development, but also “challenges” to be managed.

In the eyes of ASEAN member states, walking with a growing giant would never be easy. “China is already a strong competitor (to ASEAN states) in trade and attracting foreign investment” (Tongzon, 2005). Furthermore, China’s firm will and steadfast actions to safeguard its rights on the South China Sea had been interpreted as signals to become increasingly “assertive” on territory and security issues (Thayer, 2011; Yahuda, 2013). Meanwhile, China is still promoting its “Good Neighbour” strategy with deep concerns about the impacts of the *rebalancing* strategy of the US and smaller countries taking advantage of the big power rivalry. Wang Yi, Minister of Foreign Affairs of China, said: “it is wrong for a small country to play a big one like that” when he was asked about the Philippines’ request for arbitration in early 2016.<sup>1</sup> Thus, both China and other ASEAN countries are unsatisfied with each other’s certain behaviours.

Despite being a critical flashpoint, the South China Sea dispute is essentially a controversy occurring between China and some ASEAN claimants. Conflicts and confrontations have never been the mainstream nor the defining feature of China-ASEAN relations. However, the South China Sea dispute can be treated as a prism, through which we might witness a set of dispositional expressions from both sides. Moreover, this paper would like to argue that the hardcore of those expressions rests on a permanent inquiry area in International Relations, i.e. *distrust*. A series of key questions would be raised: Why is distrust playing the central role in undermining China-ASEAN relations? How do we understand the seemingly paradox between China’s Good Neighbour policy and the South China Sea assertiveness in the light of *trust deficit*? What are the implications of China’s *Belt and Road Initiative* to ASEAN in terms of *trust-building*?

This paper aims to answer those questions by first presenting a brief summary of the evolution of China-ASEAN relations in the past decades, focusing on the status of mutual trust between the counterparts. The next section focuses on analyzing trust deficit in international relations, especially *vis-à-vis* the rise of China as the general background. This paper will explore the rationale for trust-building and assess the efforts made by China in the last section.

## 2. China-ASEAN Relations and the Evolution of Mutual Trust

Following the establishment of the People's Republic of China, we have witnessed a dramatic transformation of bilateral relations between China and its neighbouring Southeast Asian countries. Trust has played a very important role in the course of interaction, which could shed light on our understanding of recent events.

### 2.1. Cold War Distrust and Suspicions

In the Cold War era, the bipolar structure shaped the choice of the weak state in the region of Southeast Asia. The establishment of the Association of Southeast Asia (ASA) in 1961 was one of the choices. ASA was the first integrating effort of Southeast Asian statesmen who was inspired by European regionalism. Up till now, the concept of regionalism is still playing a central role in the recent development of ASEAN Community. In August 1967, those founding fathers of ASEAN, who came from Indonesia, Singapore, Thailand, Philippines and Malaysia, gathered at Bangkok and declared another great leap of Southeast Asian regionalism. The efforts of integration and regionalism have been highly appraised for decades. However, none of us should deny that what made those relative weaker and smaller countries united together was mainly because of their fundamental security concerns.

In the heyday of the Cold War, nearly all the major experiments and practices of regional integration around the world had derived from the physical and psychological concerns of security under the pressure of bipolar competition. Regional integration provides an option for those weaker and smaller countries to get stronger by pushing them to have closer and tighter relations. Being regarded as the military and ideological adversary to the West, China was also considered as the principal source of threat towards Southeast Asian countries in the Cold War era. China loomed as a malign force to the north, where communist cadres plotted to export ideology and revolution to the rest of Asia. Therefore, the tension between the two blocs was maintained at such a high level. In the 1960s, to a large extent, the ASA and ASEAN countries were playing an overlapping role of the SEATO members, which had been an alliance partner of the US in this region. From China's point of view, "it was difficult or pointless to distinguish ASA activities with SEATO activities" (Pollard, 1970: 245). The starting point of interaction between China and ASA, the forerunner of ASEAN, rested on deep security concerns and mutual strategic distrust.

Since US president Nixon's ice-breaking visit to Beijing in 1972, the relationship between China and ASEAN countries had also been reshaped by the *Rapprochement*. But even in the era of the Sino-US "honeymoon"

through the early 1970s to late 1980s, ASEAN or especially some of the ASEAN countries were still very cautious about developing bilateral relations with China. On one hand, Malaysia, the Philippines and Thailand established diplomatic relations with China in succession in the mid-1970s. China, US and ASEAN members had actually established an “alliance in convenience” to counter the threats from the Soviets and another regional power, Vietnam. On the other hand, the Southeast Asian countries were keeping an eye on China’s involvement in the affairs of Cambodia. The Kuantan Principle, issued in 1980, reflected the deep concerns of ASEAN members toward China (Ngeow, 2016).

## ***2.2. Post-Cold War Engagement and Cooperation***

To put it shortly, the Cold War distrust towards China is a mixture of strategic conflicts and ideological rivalries. Only after the collapse of the Soviet Union and following the end of the Cold War, and especially after Deng Xiaoping’s push for further reform and open policy in the early 1990s, the low-trust stalemate was broken up by the stimulus of rapid economic growth in China. With the normalization of bilateral relations between China and ASEAN in the early 1990s, economic ties were booming and political relations also advanced rapidly. From the 1990s onward, China has established profound connections with ASEAN countries. China had participated more and more in regional institutions, including the ARF (ASEAN Regional Forum), ASEAN+1, and ASEAN+3, to show and prove its sincerity and goodwill to its neighbours. In 1996, after years of efforts, China was granted full dialogue partnership status with ASEAN. Meanwhile, with the successful enlargement of ASEAN, some traditional partners of China joined this regional community, which created a peaceful and harmonious atmosphere in the region.

Actually, China took the initiative to improve its relations with its neighbours. The Asian Financial Crisis in 1997 was another key turning point for bilateral relations. In the wake of the crisis, China adopted a proactive fiscal policy and pledged not to devalue the RMB. This decision put China under huge pressure. However, the pressure and hurt to China also won applause and confidence from its vulnerable and vacillating neighbours. China’s risk-taking decision successfully built up a positive image. It was a major event that does help trust-building between China and ASEAN countries, which showed that China would like to shoulder burdens, to provide public goods, and to be a responsible partner to the region. At this time, China was no longer considered the malign force to export revolution, but the benign partner to export public goods.

Following the cooperation during the financial crisis, China and ASEAN shared a Golden era in the first decade of the new millennium. In fact, China

and ASEAN entered a brand new phase in their history. The development of bilateral relations was actually not only resting in economic spheres but also reaching political and security domains. A series of critical achievements had been made. For example, both sides managed to control the emerging crisis in the South China Sea. In 2002, Chinese Premier Zhu Rongji and his ASEAN counterparts jointly signed the *Declaration on the Conduct of Parties in the South China Sea*. And in the next year, China joined the *Treaty of Amity and Cooperation in Southeast Asia* (TAC), which was regarded as a major step to build mutual trust with institutional approach (Cao, 2003). During this decade, with China expressing goodwill and participating in regional institutions, the status of mutual trust was improved to a significant extent.

### 2.3. Distrust and Re-emerging Tensions

Following the onset of the global financial crisis in 2008, the rise of China was no longer a vision but has become a reality. Compared to the decline of the US and European countries, China's economic growth had been maintained at a relative high rate. In 2010, China's GDP surpassed Japan's, which means China overtook Japan as the second largest economy in the world. Frankly speaking, this event was a boost to the confidence of China. The Chinese government and public tend to reevaluate their own role in the international system. Therefore, there was an academic debate on whether it was the time to change the long-term adherent foreign policy of "keeping low profile and biding their time" (韬光养晦). The thought that China should no longer be the follower but to "play positive roles" in international politics was also widely spreading in the political circle.

China has also been speeding up the process of its military modernization, especially the modernization of the People's Liberation Army (PLA) Air Force and blue-water Navy. In March of every year, the Chinese government would release its military budget for the year to the world. Though considered not fully transparent, the military expenditure growth of the PLA was around 10%–12% per year for the last five years. Following the US, China has the second largest military spending in the world now. With its strong engineering competence, China's plan for expanding islands in the South China Sea advanced rather smoothly, which was another big signal to demonstrate China's strong will to defend its territory and sovereignty in disputed waters. However, the great leap of military capability and new strategy in dealing with territorial controversies in the South China Sea became the newly revealed evidence to verify "China's threat" in the region.

The South China Sea issue had been a hot spot throughout 2013-2016. The conflicts at Huangyan Island (Scarborough Reef) and the arbitration of the International Tribunal for the Law of the Sea even worsened the situation for

a while. The increasing tensions made this region one of the most dangerous places in the world then. Fortunately, there is a dramatic downgrading of the tension after Rodrigo Duterte was elected as president of the Philippines in late 2016. With this about-face of the new Filipino government, the South China Sea dispute was frozen. But everybody knows that it is not a happy ending. This paper intends to point out that there is still a sort of “trust crisis” between China and certain ASEAN members.

### **3. The Rise of China and the Rise of Distrust: Theoretical Perspectives**

Generally speaking, the impact of rising power to the world/regional security is a key area of inquiry in International Relations (IR) studies. Put more specifically, why is a rising power usually perceived as a threat and the target of distrust? There are divergent explanations towards this intractable question. In this section, this paper tries to figure out the problem and illustrate the correlation between the rise of a new power and the rise of distrust from its neighbours in Southeast Asia.

#### ***3.1. The Trust Deficit in International Relations***

Theoretically, the short supply of trust between China and ASEAN countries is not a surprising phenomenon in international relations. On the contrary, trust deficit is a fairly common issue. Or, we have to say, it is quite ordinary in an anarchic international arena.

Trust deficit refers to international actors, in the course of interactions, who are always suspicious of each other's real intentions. The realist literature assumes that the defining feature of the international system is *anarchy*, which means there is no central authority to enforce laws on the international stage (Waltz, 1979). Therefore, without the mechanism of monitoring and punishment, it would be dangerous to trust other countries. As Machiavelli (2009: 39) argued in his masterpiece *The Prince*, “a wise lord cannot, nor ought he to, keep faith when such observance may be turned against him”. Hans Morgenthau, a prominent realist, also pointed out that cheating is a quite normal phenomenon in international politics, since what states cherish most is pursuing national interests defined in terms of power. The neorealism theory went even further on this. Waltz argues that states feel uncertain of other states' intention and behaviour, which is boosted by the status of international anarchy. Mearsheimer suggested that it is impossible to ascertain the real intention of other states in an anarchical world. He made it quite clear that to offend and expand is the logical consequence of great powers in pursuing security. Since the enduring pursuing of power constitutes the dominant incentive of states, deception is just one of the instruments in the toolkit for

gaining power. Furthermore, to be cheated may bring serious consequences in the anarchical international system, such as the Munich Conspiracy. Therefore, following the realist understanding, trust is very hard or even impossible to be achieved under the condition of anarchy in international relations.

Trust deficit is the precondition for a security dilemma, which is a logical inference to explain the behaviours of states. Since states tend to be suspicious of each other's intention and purpose, the increase of power on one part will automatically arouse the fear of the other. "Many of the means by which a state tries to increase its security decrease the security of others" (Jervis, 1978: 169). Therefore, the relevant players will resort to certain measures to *balance* the impact of the power. Those measures usually include strengthening its own capability, which usually results in an arms race, or asking for help from other powers, which means to form an alliance. In the realists' mind, there is no room left for trust in international politics. What the ASEAN countries have done perfectly illustrates this model. "The small and medium-sized Southeast Asia states have all pursued a mixed and opposite strategy towards re-emerging China", which is known as strategy of *hedging*.

### 3.2. Rising Power and the Rise of Distrust

Having acknowledged the trust deficit as a background in international relations, the following question is why the increase in strength of China should raise the degree of distrust. There are mainly three types of answers to this question, i.e., the outgrowth of power politics, China's "aggressive" intentions, and the psychological imbalance of ASEAN states.

The first answer emphasizes that the rising distrust is the outgrowth of power politics. According to realists' prescription, a rising power is always dangerous for other actors in the system. The reason is that a rising power has not only temptation but also need to expand. "Power hates vacuum." As Martin Wight (1978: 144) puts it, "it is the nature of power to expand." Therefore, "realists view economic prosperity as a preliminary to expansion and war" (Schweller, 1999). The implication here is that no matter what kind of strategy the rising power adopts, benign or malign, the capability itself matters. "The strong do what they can, and the weak suffer what they must." Thucydides' logic, to a large extent, still applies at the present time. Therefore, as indicated by Walt (1990), the weaker state tends to keep an eye on the stronger one at all time and respond with suspicions, especially towards the rising power within geographic proximity. Regardless how benevolent the rising power shows to the rest of the world, rising distrust is always the by-product as states grow wealthier and more powerful.

Contrary to the abovementioned thoughts, the second school argues that it is the "aggressiveness" or "assertiveness" that obliges the smaller

and weaker states in Southeast Asia to doubt that whether China's Good Neighbour policy is a way of propaganda or just a camouflage. The scholars resorted to domestic factors, such as heightened nationalism and the central decision maker's preference and demands, to explore the essential dynamics for China's "tough" foreign behaviour (Yahuda, 2013). However, frankly speaking, to maintain a peaceful and stable environment is still the highest priority of China's foreign policy. China's approaches to the territorial and maritime disputes are conditioned by and contingent on several factors, such as the national goal of rejuvenating the Chinese nation, the US pivot to Asia and the interaction between China and other claimants (Zhou, 2016). Therefore, it's not so clear yet to identify which one is the cause and which one is the result.

The last answer resorts to the psychological imbalance of ASEAN states *vis-à-vis* the rapid growth of China and the changing structure of power in the region. The key element here is the perception. Power structure is the main source of the change in perception towards China. "ASEAN's traditional goal has been to prevent any outside power from acquiring too much influence over any country in the region or the region as a whole." (Acharya, 2003: 153) This strategy is called the "counter-dominance" of ASEAN. But with the increasing power of China, ASEAN countries perceive the threat and disorder despite there being no such dominance or attempt to dominate yet (Ji, 2012). It is quite interesting that the realist perspectives emphasise how the changing distribution of capability/power reshapes the perception of the international actors too. In other words, this is also a dispositional change at the psychological level. For the rise of China, ASEAN not only seeks economic support perceived to be crucial for the development of the region, but also worries about China's growing power and the possibility of Chinese domination over the region (Shekhar, 2012: 253). Hedging, therefore, has become the mainstream strategy through ASEAN. The most important feature of hedging is to keep the balance between the rising power, China, and the *status quo* power of the Asia-Pacific region, the US. Compared to China, the US has long been the dominant power in the region. From the perception of ASEAN countries, the US's preference and ambition are relatively clearer and predictable than a rising China.

All in all, power growth is likely the necessary prerequisite for distrust, but not a sufficient one. More and more scholars realize that the mechanism between rising power and rising distrust rests on the role of *uncertainty*. The policy implication for the ASEAN states is that "the relative limited resources and capabilities mean that they possess fewer options than the big powers to cope with threats and uncertainties under anarchy" (Kuik, 2016: 503). ASEAN's distrust towards China mainly derives from the uncertainty on where China will go. This model could better explain what happened during

the last decade. For the Southeast Asian countries, the prevailing strategy is *hedging*, which means to maintain robust economic ties with China and share the profit of rapid growth, while in the mean time standing closely with the US on security issues to make sure that they will avoid being undermined by the growing influence of China. This is a result of rational choice, but I have to point out that this is also a resource for the potential conflicts between China and the ASEAN countries.

#### 4. Rationale for Multi-level Trust-building

This paper argues that distrust is an outgrowth of power politics. It is impossible to eliminate but can be managed. There is still a rationale for trust building. This section addresses an effort of a multi-level strategy to promote mutual trust between China and ASEAN.

##### 4.1 Generating Necessity of Trust

With the realist perspective, it seems that there is no chance to escape from the trust deficit. We have to admit that distrust is a common phenomenon in international relations, but we can still find clues from other social scientific studies, which focus on how to ameliorate the condition and relieve the obstacles.

For Liberal Institutionalism, international institutions would relieve the negative effects of international anarchy. In the literature of Sociology and Economics, trust is regarded as an invisible institution, which is a very important constituent in fostering cooperation and facilitating interaction in the domestic community. The function of trust in society is to reduce transaction costs and increase expected gains. With the modification of the standard Prisoner’s Dilemma (PD), we get the Trust Game (TG) (illustrated in Figure 1). TG is similar to a PD in that individually rational choices by two players lead them to a Pareto deficient outcome. It explains how to build trust between two rational actors. In the PD game defection is always superior to cooperation, no matter what one’s partner does. Therefore, defection is the

Figure 1 Trust Game

		Player 2	
		C	D
Player 1	C	1, 1	-1, $e_2$
	D	$e_1$ , -1	0, 0

dominant behaviour for each player in the PD game. In the TG game, the payoff of Defection is marked as  $e$ . The optimal solution of the Trust Game is a result of the comparison of the payoff of 1, -1 and  $e$ . It means that the choice of Cooperation (C) or Defection (D) depends on the comparison of the payoff it yields. When  $e$  is close to 1, or even greater than 1, defection would be the choice of players. On the contrary, when  $e$  is less than 1, or even less than the cost to be deceived (-1), cooperation is more likely.

The necessity of trust is closely related to this payoff. In reality, for the states in international relations, what the statesmen should do is to measure the payoff of two options: one is that of distrust (D), another is to trust (C). To distrust may mitigate risk of deception, but the negative gain would be increasing tension, even leading to conflicts or wars. To trust may create a positive and harmonious atmosphere for cooperation, but there is a risk of future subordination to its counterpart. That the state decides to trust (risk-taking) is when the risk of subordination is far less than the risk of confrontation or be taken advantage of.

Actually, the necessity of trust is very strong for both China and its ASEAN counterparts. On one hand, from the perspective of China, the *hedging* strategy is actually a thorn which hinders the establishment of more harmonious relations with its neighbours. On the other hand, China is unsatisfied with an emerging strong security and military alliance/partnership in front of its south gate. What China needs most is a stable and peaceful environment for further development. This is the central task of China's foreign policy for now. To increase trust will be a critical method to achieve this aim. China was suspicious of some neighbouring countries' intentions of inviting the US to interfere in the South China Sea disputes and other relevant issues. Not surprisingly, the involvement of the power outside the region would play the role of triggering the nationalism of China, which could explain why China behaved so "assertively" in the South China Sea Dispute. This is to safeguard China's security parameter and to partially meet the demands of its domestic nationalism. From the perspective of ASEAN countries, it is dangerous and unwise to have a big giant as an adversary. Furthermore, increasing military and security dependency on the US would increase the abovementioned dangers. The traditional wisdom is to keep a balance between the regional powers. The Philippines' South China Sea strategy under the Aquino III administration was a salient counter example to this wisdom.

Therefore, to generate and clarify the necessity of trust is not as impossible as some scholars argued. What we should do is to switch positions and consider the demands of the other, then the situation would be clearer. The thing left is how to deal with the uncertainties in the process of initiating mutual trust.

#### 4.2 Multi-level Trust Building

This paper would like to propose a strategy of multi-level trust building. After clarifying the necessity of trust for both sides, the main obstacle is the uncertainty in the development of bilateral relations. As the smaller and weaker one in the relationship, ASEAN countries actually have more to be concerned about, from military disadvantage to losing economic autonomy. As the stronger one in the relationship, China is concerned about these neighbouring countries leaning too much on the power outside of the region, which would impede its own rising process. Honestly speaking, China has a bigger incentive to build trust with these smaller partners.

Since Xi Jinping came to power in 2012, China has gradually changed the priority of its foreign strategy. In October 2013, President Xi held a conference on diplomatic work. He said that China would strive for a sound neighbouring environment for its own development and seek common development with neighbouring countries. This is not a propaganda but what China is really concerned about. According to Xi, “the neighbouring region has major strategic significance.” The strategic goal of China’s diplomacy with neighbouring countries is to serve the cause of national rejuvenation, for which China must consolidate its friendly relations with neighbouring countries and make the best use of the strategic opportunities China now has (*Xinhua*, 2013). It is quite clear that to build trust with the neighbouring countries fits the national interest of China.

The multi-level trust building involves several interrelated dimensions. The assumption of trust building is that trust is a psychological phenomenon, which reflects the judgment of the preference of the rational actors in the interaction. Put more specifically, trust building can be treated as a process of decision making. The rational actors will not only assess the payoffs between trust and distrust, but also be influenced by the social interaction, which involves dispositional and perceptual considerations. In extant literatures, trust is a continuum, with functional cooperation as one end and interpersonal bonding as another end (Booth and Wheeler, 2008: 229). Therefore, trust building requires at least two parts, one is the functional level building, and the other is the emotional level building.

The role of functional level building is to demonstrate the necessity of trust and to reduce uncertainty of interaction. “One strategy for reducing social uncertainty in exchange situations is to form committed relations with particular partners.” (Cook et al., 2005: 124). In previous studies, there are many approaches to form such relations. For example, the increase of interdependence will raise the cost of defection for both sides, which can be seen as an effective form of committed relations. Meanwhile, the emotional level building involves ways to increase mutual understanding and positive

feelings between the trustors and trustees. For example, intensive people to people exchanges, to some extent, will help build up foundations to understand each other's real interests and intentions. The multi-level trust building process will help China and ASEAN countries to have a stable and healthy relations in the future, and China's Belt and Road Initiative can partially fulfil this aim.

### ***4.3 Implications to the Belt and Road Initiative***

With the perspective of multi-level trust building, the Belt and Road Initiative will find its most effective way to work. Generally speaking, China's "Belt and Road Initiative" is now becoming a pressing national strategy. The top leaders of China are strongly pushing for the initiative to be accepted by the relevant countries. Actually, there so many interpretations of the meaning of this immense project. Two different versions are often bandied about. On one hand, the relevant countries, especially those cash-strapped developing countries are expecting the possible investment and the technology transfer from China. On the other hand, many people also expressed their anxieties towards this thematic ambiguous proposal of China. Some think that China wants to build a sphere of influence, or to pursue a Chinese version Monroe Doctrine through this project. Moreover, others also considered this project as a signal that China is eager to output its own overcapacity and readjust industrial structure, and the industrial investment would aggravate competition among the regional members. Apparently, beneath the enormous economic benefits and opportunities in infrastructure construction, the distrust is still there to hinder further cooperation.

It is very clear that the Belt and Road Initiative should take trust building as its central task in advancing cooperation between China and ASEAN countries. To achieve this goal, China should not only consider the benefit of the initiative but also how to increase the interdependence rather than unilateral dependence in China-ASEAN relations. To bind both sides in the process for the long run would generate necessity of trust and raise the price of deception. The rational foundation is the hard core of trust relations. Besides economic interdependence, there should also be an indigent of military/security confidence-building mechanism included, which means that security cooperation should be considered in the blueprint for the Belt and Road Initiative. Recent news show that China and ASEAN are working on a draft of a Code of Conduct (COC) in the South China Sea. The COC can be considered as one of such mechanisms to ensure it is self-binding for each side in the dispute. To some extent, a successful COC would enhance mutual trust among all parties. In the dispositional part of trust building, the people-to-people exchanges have been raised as one of the most important constituents in the Belt and Road Initiative. However, this is the most difficult

part in trust building. The fact is that exchanges can only be the necessary condition for fostering understandings of people (民心相通). Under certain conditions, the more interaction, the more distrust. Though the Belt and Road Initiative can provide more chances for communication and interaction, the ultimate goal of exchanges should be to set up a kind of regional identity, which would yield continuous dynamics for mutual trust. All in all, to build trust, the Belt and Road Initiative does and will focus on how to reward and pacify the neighbouring countries.

## **5. Conclusion**

At this moment, South China Sea dispute is the only dispute between China and ASEAN countries. The mainstream of bilateral relations is quite healthy. But the potential threats are always there. The South China Sea dispute reflects the conflicting interest and, more importantly, the distrust derived from the rise of China. And distrust plays a very critical role in shaping China-ASEAN relations. In the realist literature, distrust is inevitable in an anarchic international system. But realists are partially right. The fallacy of realism is not the way of its reasoning but the self-fulfilling prophecy. If we do not want to believe others, the result would be even worse. And if we adopted a laissez-faire attitude towards the trust deficit, it could become a serious problem. Therefore, treating trust as a result of decision making under the condition of incomplete information might be achieved by the rational actors with dispositional preference.

The Belt and Road Initiative encompasses the strategic thinking of China. The central idea of the project is to foster cooperation in various areas, namely five connectivity: policy communication, road connectivity, unimpeded trade, monetary circulation and understanding between peoples. But in reality, the cooperation-oriented initiative encounters a variety of challenges. Distrust is the main drive of those challenges. For ASEAN countries, people would like to interpret the meaning of certain behaviours of China by some perditions based on the traditional strategic mind. But a defensive reaction of ASEAN countries might be considered as an expression of aggressive intentions, and vice versa, the same story happening to China. And only by taking trust-building as one of the main approach can this initiative be really accepted by the relevant countries and contribute to the good image of China as well as the prosperous and peaceful future of the region.

## **Acknowledgement**

The author thanks the Institute of China Studies, University of Malaya, and Dr. Ngeow Chow Bing for their invaluable advice and generosity. This

paper is also supported by the “Fundamental Research Funds for the Central Universities” of Nankai University.

## Note

- \* Huang Haitao 黄海涛 is associate professor with the Department of Internal Relations, Nankai University, Tianjin, China. He received his PhD in Political Science in 2009. His research interests include IR theory, China’s foreign policy and China-US relations. He can be reached at <huanght@nankai.edu.cn>.

## References

- Acharya, Amitav (Winter 2003/2004), “Will Asia’s Past Be Its Future?” *International Security*, Vol. 28, No. 3, pp. 149-164.
- Axelrod, Robert (1984), *The Evolution of Cooperation*, New York: Basic Books.
- Booth, Ken and Nicholas Wheeler (2008), *The Security Dilemma: Fear, Cooperation and Trust in World Politics*, London: Palgrave Macmillan.
- Cao Yunhua (2003), “On China’s Entry into Treaty of Amity and Cooperation in Southeast Asia”, *Southeast Asian Studies (Dongnanya Yanjiu)*, No. 6.
- Cook, Karen S., Toshio Yamagishi, Coye Cheshire, Robin Cooper, Masafumi Matsuda and Rie Mashima (2005), “Trust Building via Risk Taking: A Cross-Societal Experiment”, *Social Psychology Quarterly*, Vol. 68, No. 2, pp. 121-142.
- Jervis, Robert (1978), “Cooperation Under the Security Dilemma”, *World Politics*, Vol. 30, No. 2, pp. 167-214.
- Ji Ling (2012), “Out-of-balance of the Power Structure and Psychological Expectation: The Issue of Trust in China-ASEAN Relations”, *Nanyang Wenti Yanjiu (Southeast Asian Affairs)*, No. 1.
- Kuik, Chen-Chwee (2016), “How Do Weaker States Hedge? Unpacking ASEAN States’ Alignment Behavior towards China”, *Journal of Contemporary China*, Vol. 25, No. 100, pp. 500-514.
- Machiavelli, Niccolo (2009), *The Prince*, trans. W.K. Marriott, New York: Chartwell Books.
- Mearsheimer, John (2014), *The Tragedy of Great Power Politics* (updated 1st edition), New York: W.W. Norton & Company.
- Morgenthau, Hans (1965), *Politics among Nations: The Struggle for Peace and Power*, 3rd edition, New York: Alfred A. Knopf.
- Ngeow Chow Bing (2016), “Maritime Silk Road and China-ASEAN Relations”, *Zhongguo Pinglun (China Review)*, No. 218, pp. 46-52.
- Pollard, Vincent (1970), “ASA and ASEAN, 1961-1967: Southeast Asian Regionalism”, *Asian Survey*, Vol. 10, No. 3, pp. 244-255.
- Schweller, Randall (1999), “Managing the Rise of Great Powers: History and Theory”, in Alastair Iain Johnson and Robert S. Ross (eds), *Engaging China: The Management of Emerging Power*, New York: Routledge, pp. 1-32.
- Shekhar, Vibhanshu (2012), “ASEAN’s Response to the Rise of China: Deploying a Hedging Strategy”, *China Report*, Vol. 48, No. 3, pp. 253-268.

- Thayer, Carlyle (2011), "Chinese Assertiveness in the South China Sea and Southeast Asian Responses", *Journal of Current Southeast Asian Affairs*, Vol. 30, No. 2, pp. 77-104.
- Tongzon, Jose (2005), "ASEAN-China Free Trade Area: A Bane or Boon for ASEAN Countries?", *The World Economy*, Vol. 28, No. 2, pp. 191-210.
- Walt, Stephen (1990), *The Origin of Alliances*, Ithaca, NY: Cornell University Press.
- Waltz, Kenneth (1979/2010), *Theory of International Politics*, Long Grove: Waveland Press.
- Waltz, Kenneth (2008), "Conflicts in World Politics", in Kenneth Waltz, *Realism and International Politics*, Oxford: Routledge.
- Wang Yi (2006), "Speech at CSIS, Washington, D.C.", 25 February, available at <<https://www.csis.org/events/statesmens-forum-wang-yi-minister-foreign-affairs-prc>>.
- Wight, Martin (1978), *Power Politics / Martin Wight*, edited by Hedley Bull and Carsten Holbraad, Leicester: Leicester University Press.
- Xinhua* (2013), "Xi vows to build better ties with neighboring countries", 26 October, available at <[http://www.china.org.cn/china/2013-10/26/content\\_30410923.htm](http://www.china.org.cn/china/2013-10/26/content_30410923.htm)>.
- Yahuda, Michael (2013), "China's New Assertiveness in the South China Sea", *Journal of Contemporary China*, Vol. 22, No. 81, pp. 446-459.
- Zhou Fangyin (2016), "Between Assertiveness and Self-restraint: Understanding China's South China Sea Policy", *International Affairs*, Vol. 92, No. 4, pp. 869-890.

