

*China's Bilateral Relations, Order Transition, and the Indo-Pacific Dynamics**

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Abstract

The shifting balance of power and the growing strategic competition between China and the United States have accelerated the order transition in the international system. The nature and process of the order transition, peacefully or confrontationally, largely depend on how China interacts with the United States and other players in the region, especially Australia, Japan, and India. In this article, we introduce an “interest-threat nexus” model to shed some light on why China has formed different types of bilateral relations with key players in the region. We argue that China’s bilateral relations are shaped by two perceptual factors: security threat and economic interest. While the threat perception shapes the “identity” feature of the bilateral relationship as partnership or rivalry, the “behavioral” feature of the relationship—cooperative or competitive in action—is largely influenced by the economic interests between the two countries. A systematic and nuanced analysis of China’s bilateral relations with major regional players will help us to understand the changing dynamics of the order transition in the Indo Pacific.

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