

China and Post Cold War Relations with ASEAN: Changing Strategic Ties

Julien Resche

Introduction

The relationships between China and the regions to the south date back almost two thousands years, at a time when the “celestial Empire” was at the epicenter of the regional affairs, a hegemonic power. The end of this system was brought about by the Western powers just over a century ago, and for the major part of the 20th Century, China was but a hollow shell, while the South eastern countries were colonized. After WWII, the structure of the regional system changed once again, but led to a series of tensions between China and her neighbors who, in order to contain China, formed a regional organization, the Association of South East Asian Nations (ASEAN). Throughout the 1990s uncertainty about China’s domestic developments made it difficult to fix an image of how it would relate to the wider Asian region. This uncertainty affected both the USA and ASEAN responses to what the Institute of International Strategic Studies (IISS) called “China’s creeping assertiveness”. As the 1990s unfolded, China’s relation with the region settled into a mix of bilateral bellicosity (over Taiwan and the South China Sea) and increasingly comfortable and skilled use of multilateralism to support those local voices concerned about excessive US influence, as well as its own agenda. China also came out well from the financial and economic crisis of the late 1990s, both because of its use of rescue funds, and because of the stark contrast with Japanese/US attitudes during that crisis. This led the ASEAN countries to have a more positive view of China and to adopt a policy of “engagement” in the late 1990s. In this essay, I will show that China has become a responsible “player” in the region by cooperating at the economic/political/security level with ASEAN and its different organs/members.

In the first part of this essay, we will take an historical approach in order to identify the different aspect of political and strategic ties between China and South-eastern countries/ASEAN over the years. We will begin by studying the relations between Imperial China and her neighbours. This is of great importance, as the system collapsed in the region only for a little over a century and the historical legacy is still being debated by different sides in order to understand today’s China. We will then switch to the revival of China under the Chinese Communist Party (CCP), and what were the set of ideals powering the region at the time and what it meant for the region. Finally, we will see in what way the end of the Cold War provided opportunities for China to engage ASEAN.

The second part of this essay will focus on relations between China and ASEAN at multiple levels. We will use a concentric approach to the questions. First, the closest interaction represented by the ASEAN - China Bilateral Relations, followed by the more extended ASEAN+3 Frameworks and then the last stage still under construction, the ASEAN Regional Forum (ARF).

Finally, we will discuss some of the more pressing issues in the region that could jeopardize the construction of a regional community still underway. We will begin by addressing the question of security. Security issues, some dating back from the end of the Cold War, others linked to today’s race for raw materials, are numerous and involve all of the ASEAN countries as well as China, Japan and “outsiders” such a the US or India. Another aspect is the economic “war” being waged between China and ASEAN. Over the year and due to her

economic boom, China has replaced a number of neighboring countries in attracting foreign direct investment (FDI), leading to complaints and tensions in the region.

I. Historical overview

As a student in International Studies and History, I have often valued an insight of the past in order to understand the socio/economic/political situation of the present. Despite the fact that the topic of this essay is focusing primarily on China's foreign policy decision-making since the end of the cold war (in our case, concerning ASEAN), China's past role in the area turns out to be an important factor in explaining the behaviour of Southeast Asia countries as well as China itself. The historical/political relationships between China and the region to the south date back almost two thousands years and can be divided into three distinct periods: Imperial China, the Revival of China, and the Post-Cold War developments.

Imperial China and Southeast kingdoms

Recorded interactions between China and her neighbors to the South began some two thousand years ago, at first confined to the territories now comprising Vietnam, Java, Sumatra, Malaysia and later Thailand, Cambodia, Burma and the rest of Indonesia. By the end of the second century a.d., China had established frequent relations with all the different kingdoms/States in these countries. These contacts evolved into a relationship based largely on trade and the passage of pilgrims from China to India (then homeland of sacred Buddhism) and gradually formalized into a relationship at the official level which followed the pattern then acceptable to overlord and rule (Tributary states). "China was seen as the leader, the law giver, the source of art and culture within her orbits" (Fitzgerald, 1973 : page 3). Hence those who were closer geographically were expected to conform more closely to the system in place, as it was the case with Vietnam and Korea; those further away were recognized as being more alien, and were not required to borrow or adopt so many of China's ways, but simply being subjected to tributes and suzerainty.

The system, dubbed "Sino-centric", did not weight harshly on any states or kings. When a king wanted the prestige of China's friendship, to oversee a rival for example, he would send a tribute mission to the emperor, and received more luxury presents in return. The strength and magnitude of the system heavily depended on China's domestic situation. When powerful and united, its influence would be felt more strongly. When governed by a weak dynasty and riddled in civil wars, the system would be forgotten.

The arrival of Western powers destroyed that system in the region as Western colonialism spread. Although China herself was not colonized, she turned into a semi-autonomous state, riddle with warlords and "bullied" by Western powers that kept taking more of her territories and sovereignty during the two centuries preceding WWII.

The "revival" of China and its consequences for Southeast Asia

The achievement of independence by the former European colonies of Southeast Asia and the coming to power of the Chinese communist regime were contemporary events, as they took place within the first decade after the end of the Second World War. Hence a new Southeast Asia was confronted with a reborn China and the new set of policies instigated by both side in this transition period that mark the rebirth of relations between the two geo-political entities. According to C. P. Fitzgerald, two important set of ideals are to be taken into account to

understand the Cold War period ((Fitzgerald, 1973 : 3). From the perspective of *China*, one could evoke a whole set of old ideas and memories of imperial past. What was rightfully her had been taken away by Western imperialist powers. One could claim that China has her historical “rights” in the region but these, if implemented, would lead head on to conflict with the newly independent and nationalistic peoples of the area and, therefore, cannot be applied peacefully.

As for the newly independent nations of *Southeast Asia*, the old fact is the simple geographical reality that China is there, very large, very powerful and even more so potentially and cannot be conjured away. Also to be taken into account is the large Chinese minorities present in those countries, usually economically strong. However, despite the fact that the colonial powers withdrew from the region, the context of the Cold War affected heavily relations in the region during the whole period. Southeastern countries sought and received the help of the US in their fight against the communist movement, actively supported by China. A series of wars between China and her closest neighbors (Sino-Indian war of 1962, Sino-Vietnam War of 1979 etc) enhances the fears that China, as a revolutionary power, sought to destroy the system in place in Asia to her benefits. A shift in position occurred in the late 1960s when China received American/Japanese support in her struggle with the Soviet Union, but the situation remained unsettling for the Southeastern countries who formed the ASEAN on August 8, 1967, as a mean to check the “domino effect” (term used to describe the successive fall of States into communism) in Asia and counterbalance China, should the need arise.

Post Cold War development and relations

The end of the Cold War provided a policy environment, in many ways more favorable to the development and articulation of a foreign relations outlook based on uniquely Chinese policies. This led to the expected and actual rise of China’s power in a regional context, which during the 1990s was less constrained by outside powers than at any time during the 20th century. To some extent, therefore, this was simply a matter of China’s relative regional weight being increased by the almost total withdrawal of Soviet and the partial redraw of American power from the region” (Buzan, 2003 : 143-173). From the Chinese perspective, such peripheral security was essential if China was to modernize its economy and, in so doing, provide for the welfare of its people.

However, the basic questions remain. What are China’s intentions in light of history? In what way ASEAN should try to engage a growingly powerful China? Can a mutually beneficial relationship be established?

The first important element in understanding China’s policies in the region is to accept the fact that, as of now, she is not a *revolutionary power* bound on destroying the regional system in place (the way Hitler’s Germany did in Europe) but a *dissatisfied power* with *limited aims*, that has entered the international system (with an active involvement in the UN and more recently the WTO), seeking minor changes in the system in order to better suit her interests.

“Since 1989, China has begun to focus on surrounding area (*Zhoubian*) diplomacy, which entails establishing a broad range of relations with neighbors” (Chin 2005 : 2). The Open Door policy of the 1980s led to a more important level of “engagement” between China and other neighboring states, while in the meantime, a corresponding diminishment of ideological interpretation of international relations occurred (in other words, ideology was counterbalanced by a more pragmatic approach favored by Deng Xiaoping). In the following decades, China’s practical engagement with the other states accelerated. In particular, China moved towards developing better relations with southeast, south and central Asian states. “Of particular

significance is China's gradual acceptance of a multilateral approach towards Southeast Asia" (Hughes, 2005 : 119-135) a shift away from strict bilateralism towards acceptance of the utility of multicultural dialogues with regional groupings and use of "soft power". Chinese foreign minister Qian Qichen's call in 1991 to strengthen ties for the mutual benefit of both sides is a perfect example of the political will behind that shift (Chin, 2005 : 4).

The more complete and thorough way to achieve a study of China-ASEAN political/economic interaction is to think in term of concentric circles. "At the innermost circle is bilateral cooperation between ASEAN and China. This is encompassed by the broader ASEAN and China interaction through the APT [ASEAN Plus Three] processes in the middle, with ties forged in the ASEAN Regional Forum forming the outmost circle" (Chin, 2005 : 48)

II. Relations between ASEAN and China

1. Bilateral relations

CHINA- ASEAN Bilateral Relations dialogue was formalized when China became a full dialogue partner of ASEAN in 1996. For five years before that, China had only been a consultative partner of ASEAN, as the two parties began consultation on closer political and security problems as well as setting up committees to explore closer cooperation on economic and trade as well as collaboration in science and technology. Following 1996, both side created the China-ASEAN Joint Cooperation Committee (AJCC), whose task is to coordinates all forms of cooperation between ASEAN and China, an organization run by the general secretary of ASEAN and the Chinese ambassador to Indonesia. In forging these deeper relations, both sides are evidently seeking to advance their own political and economic interests. What are their respective domestic and international considerations?

We have already stated in our historical review that, on the ASEAN side, the geographical reality of a powerful China cannot be evaded today as it couldn't 50 years ago. Many countries have thus been keen on keeping good bilateral relation with China. If we consider that historically, ASEAN was formed to resist communists instability in the region, such moves is a demonstration of the changes that have occurred in the region since then. The Chinese economic growth also plays a big role in defining Southeast Asian countries policies. To take advantage of this growth –and to check its potential impact on the Southeast Asian economies- ASEAN and its member states have begun negotiations to conclude a series of economic and financial agreements. Militarily, China strength is likely to grow and increasingly develop its capabilities to project itself into the surrounding areas, through its expanding blue-water Navy (difficult to predict due to lack of insight in China's military spending). Her push into space, illustrated by this year missile test will give China an important tool for surveillance and intelligence gathering, as well as improve nuclear capabilities. China has a big and growing regional advantage upon its neighbors, hence their attempt to "bring her in".

From China side, "The traditional form of power balancing thought alliance is entirely absent from Chinese discussions of multi-polarity. This can be seen when Chinese commentators claim that poles are centres of international power that are not necessarily alliances" (Hughes, 2005 : 123) Chinese leaders and scholars are well aware of the crucial distinction in post Westphalia and US neo-realism, based on the balance of power; hence any of its "strategic partnerships" is specifically not directed at any third party. The US remains the only state in the region with

capabilities to hinder China's activities. As of now it is concentrating on its "war on terror", but the PRC leadership has fears for when the US will turn its attention back on Asia. China has by now recognized the value of ASEAN as a collective organization, in realizing its own vision of a multi-polar and stable regional order, that is no longer centered on the United States. Cultivating stronger, peaceful links with ASEAN and keeping the region peaceful is a way to achieve those objectives. The region economic potential is another aspect that China considers important. In the past few years, China was adamant about the creation of a free trade area, a call renewed during the 2000 ASEAN meeting in Hanoi¹.

2. The ASEAN+ Three Framework (APT)

The second circle, known as APT or ASEAN Plus Three (ASEAN +China, Japan, South Korea) is an informal summit among the different leaders of these East Asian countries. Seen as a reaction to the 1997 financial crisis in Asia and criticisms about the apparent lack of coordination shown at the time, the APT has the purpose to deepen the cooperation among these East Asian States. This, in order to make them more capable of dealing with a similar situation, if one was to happen in the future. Activities have focused on economic and financial cooperation, although it is expanding in other sectors as well. Three main goals of APT have been identified in 2000 by the economic ministers of the thirteen countries (Chin, 2005 : 52):

- Strengthening efforts in accelerating trades, investment and technology transfer.
- Encouraging technical cooperation in information technology and E-commerce.
- Strengthening small and medium sized enterprises and supporting industries.

Particularly important is the trade between the two sub-regions (Southeast and Northeast Asia) that is booming. It grew by 27.5 % between 1999 and 2000, reaching US\$ 201.7 billion (Chin, 2005 : 53).

For the past few years, the leaders of East Asian states have also agreed to study the possibilities of creating an East Asian Summit to further institutionalize APT, establish an East Asian Free Trade Area and eventually unify the region politically as well as economically. China, as we have seen, has been pushing in that direction as it would open a new, gigantic market with an estimated population of 1.7 billion people.

The ideal of a "Greater China" deal with Chinese communities in Hong Kong, Taiwan, Singapore and elsewhere may still be alive, taking into account the leading role these communities took in promoting trade with and investment in China, thus deepening the economic interdependence between Northeast and Southeast Asia. Such a development could also provide an opportunity to integrate ASEAN further. Yet, China cannot overlook the need to manage the acute sensitivity of her neighbours and "to maintain relations with as many states as possible in order to constrain American Power under a global system defined by the struggle between "one superpower, many great powers" (Hughes, 2005 : 127).

3. The ASEAN Regional Forum (ARF)

As of today, the ARF remains the unique official multilateral forum for political and security dialogue in the Southeastern region. It was initiated by ASEAN out of a desire to possess a

¹ ASEAN Free Trade Area, <http://www.aseansec.org/12025.htm>

mechanism for dealing with the diverse array of political and security challenges arising from the end of the Cold War. As we have said earlier, and in line with “China’s peaceful rise”, the pacification of China immediate/far flung periphery and zones of interests is a central concern in the management of China’s political and security relations. To achieve this, China must engage with the surrounding states and regions. Over the years, both sides have moved away from seeing each other as implicitly hostile, enabling the relationship to grow stronger, even on security matters. The most important event demonstrating that evolution came in 1996, when China became a Dialogue Partner at the ASEAN Regional Forum. “Since that point bilateral ties have broadened to include strategies as well as developing the principle for creating preventative diplomacy mechanism” (Chin, 2005 : 5). New bilateral accords have also been reached for further collaboration on non-traditional security threats and the conduct to be adopted by all parties that have interests in the South China Sea. “China quickly adjusted to the ARF, seeing the advantage in using its soft procedures to fudge conflicts” (Buzan, 2003 : 156). As the possibility of a major conflict over the South China Sea dwindles down, greater attention is paid to issues such as environment/security threats, drug and small arms smuggling as well as human trafficking. Moreover, Southeast Asia is the global center of piracy, especially in the waters of the Malacca Strait. As China depends heavily on sea routes for trade, piracy also exposes her economy to disruption (although the real impact of small pirate actions is not well known) and insecurity resulting from that threat can only be properly dealt through cooperation in the region.

As China increased its connections in the region as well as with International Organizations, it has taken the lead in developing a unified policy that would encapsulate its political, economic and strategic concerns, a clear shift away from Deng’s policy of “not taking the lead” (*Bu Dang Tou*.) Beginning in 1996, China has used the expression of a “*New Security Concept*” to express this new approach to its International Relations in the region. Premier Wen Jiabao, on 2 November 2002, stated: “Traditional and non traditional threats are interwoven and make the security situation a lot more complicated... We should proceed from the larger interests of Asia’s development, cultivate a new security concept featuring mutual trust, mutual benefit, equality and cooperation” (Saiget, 2002 : 2). The promotion of the New Security Concept does have a number of implications for the regional political and strategic outlook in China’s relations with ASEAN (Chin, 2005 : 7-8):

- First, its articulation indicates that China’s engagement in Southeast Asia is part of a larger, long term strategy.
- “Second, China is viewing the development of its relations in the ASEAN+1 and ASEAN+3 contexts primarily through the lens of national self-interests and less in terms of region-building” although this emphasis can be expected to change.
- Finally, although foreign economic relations and trade agreements will push forward the bid to create a more prosperous environment for China, political and strategic ties are needed to stabilize the border zone, without which the domestic economic development would be jeopardized.

III. Major regional issues

Since the economic crisis of the late 1990s, the members of ASEAN as well as other Northeast Asian countries (China, Japan, Korea, Taiwan etc) have again experienced rapid

economic development, deeper intra-regional economic ties and better institutionalized security relations, within the ARF framework. China-ASEAN peaceful bilateral ties have enabled the region to prosper. However, despite the ameliorations and apparent willingness of the two parties to work together in pursuit of their respective agendas, certain questions and issue remain on the table and are sources of frictions between individual members of ASEAN and China. All the countries in the region, China at their head, are in the process of modernizing their military hardware. Furthermore, a shortage of resources has aggravated territorial dispute in certain areas, the best example being the South China Sea. Hence, despite huge progress and opportunities for cooperation, there are still many destabilizing factors.

We will begin by the **security** aspect of the question. To many ASEAN members the South China Sea problem is the biggest threats due to the numbers of States and the stakes involved, in particular the sharing of the apparently huge energy deposit or “Black Gold” that is regarded as vital to the economic development of the countries of the region. Such a difficult and vast subject will be touched only briefly in this essay. Covering about 3.5 millions squares kilometers, the South China Sea is dotted by small islands, reefs, and uninhabitable rocks. Divided in groups, the Pratas are claimed by China, Taiwan, and Vietnam, whereas the Spratlys are claimed by the former three as well as Malaysia, Brunei and the Philippines. Japan, the USA, India and South Korea are also involved in the dispute. Any conflict in the area would also affect other World Powers because of the major sea lanes present in the area, linking Asia to other foreign markets. “It is because of these competing claims, mostly between States with a history of animosity, and a willingness to deploy armed forces that the Spratlys Islands have been described as one of the potential Flash point in Asia Pacific” (Chin, 2005 : 212) . In fact, there has been a recent militarization of the region as each country has improved its armed forces capacities in the region. This also led to some minor skirmish between nations. In the year 1999, two Chinese’s vessels were sunk when they collided with Philippines Navy ships. Although the later treated it as a mere “accident”, China demanded compensation. This strained relations between the two countries and deepened suspicions around the region as to China’s future intentions. China’s economic growth also increased ASEAN apprehension over China’s eventual role in the region as she reaches her full economic potential and develops a more advanced weaponry system. This will widen the gaps between China and her neighbours and, given the lack of transparency in China’s military spending, may heighten their mutual suspicions.

ASEAN Regional Forum binds both Japan and China into a regional institutional framework. This allows Japan to address its historical problem with the region, China to address the fears of its neighbors, and “both to avoid conspicuous balancing behavior towards each other” (Buzan, 2003 : 155). However, the presence of Japan is also a problem due to frequent friction with China/Korea, in part for historical and other reasons. Tensions inside ASEAN are quick to arise when questions of security are concerned. The preferred option is of engaging China diplomatically by building a regional international society. In the mean time, maximizing the engagement of outside powers in the region and trying to expand an ASEAN style security regime for East Asia is being pursued. The US presence in the region also creates tension among member countries of the ARF between those who would like such a presence to be diminished and those, especially Japan, who prefer to keep the US engaged in the region to balance China, a balance that they are unwilling to provide themselves. An example of this pro-US policy is the recent “Right of visit” agreement signed between the Philippines and the United States enabling US Navy forces to harbor in the Philippines. But other ASEAN member countries show a tendency to appease China, or not to resist its provocations, and are not supportive of maintaining a US military presence in the region.

At the **economic** level, both China and ASEAN are competitors for goods and services in many different sectors of industries and they compete harshly against each other for foreign direct investment (FDI). Inflow of investment has greatly helped China's economic growth over the past decades. However, among many ASEAN countries, this capacity to attract and absorb such a sustained amount of international investments in sectors such as machinery and textile is viewed as a serious loss for them. According to Malaysian Prime Minister Mahathir Mohamad "China is an economic threat to Southeast Asia. It is a threat in terms of attracting foreign direct investment, and it's going to be a threat to Southeast Asia's World Trade."²

Given the enduring problems of the South China Sea and Taiwan, the sensitive position of the economic role of ethnic Chinese communities in South East Asia, and the shadows and uncertainties of China's domestic politics, it is important to understand that Beijing multilateralism in Southeast Asia cannot be separated from the rising of Chinese nationalism. "Indeed, some of these problems may become even more complex for the Beijing leadership to handle as multilateralism develops" (Buzan, 2003 : 123). Economic integration under the China-ASEAN Free Trade Area, for example, is creating a different kind of pressure as it represents a shift away from the commonly established policy of non-interference in the domestic affairs of Southeast Asian states. In fact, China may now be tempted to use ethnic Chinese in the region as an economic, political and cultural interface between China and ASEAN. There has been tension before, as the Chinese minorities were accused of "stealing" all the work and riches of the local populations, leading to riots, for example the 1998 anti-Chinese riots in Indonesia³. China, due to her new status and domestic nationalism, is now expected to support her citizen abroad: the recent case of Chinese/Italian clashes in Milan are a perfect example of this.

Conclusion

In conclusion, we can say that China and ASEAN have so far engaged successfully each other and created a "pole" in International Relation in the region. History has shown us that it is not new, as China and Southeast Asian countries started to interact with each other over 2000 years ago, at different levels and with different intensities over the centuries, in a Sino-centric system. Taking this legacy into account could help clarifying China's current intentions in the region. This applies to both ASEAN and other world/regional powers, such as Japan and the USA. Even more so with the revival of China after WWII, since her growing power and aggressive behavior, during the Cold War period, already led to a series of conflicts with her neighbors. However, after the end of the Cold War, China has benefited from a policy environment, in many ways more favorable to the development and articulation of a foreign relations outlook based on uniquely Chinese policies. Hence it has engaged ASEAN in a regional dialogue over the past decade. Both parties have followed their own agendas during that time and at different level of cooperation. From the Chinese perspective such peripheral security/dialogue was essential if China was to modernize its economy and sustain economic growth. Hence the ideal of a "peaceful rise". It also followed multilateralism in the region as a mean to softly counterbalance US influence in the region. ASEAN, for his part, seeks to engage and involve China, in order to benefit from the Chinese economic growth and appease its claims, while in the meantime keeping "exit" strategies by supporting (although with some reluctance) the USA

² The Politics of Post-Crisis China-ASEAN Economic Relations. www.iuj.ac.jp/research/wpap02-3.pdf
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³ Chinese diaspora: Malaysia. Jonathan Kent, BBC News, Kuala Lumpur, Thursday, 3 March 2005,
<http://news.bbc.co.uk/1/hi/world/asia-pacific/4308241.stm>

presence in the region. In brief, several issues remain, some dating back from WWII (Taiwan, Japanese war guilt etc) and other more recent (territorial claims in the South China Sea). Such "Flash points", although not likely to erupt into violent confrontations, still present a menace for the security of the region. Growing concerns over China's military spending have not helped diminish the concerns of smaller ASEAN countries. At the economic level, despite being partner and benefiting from each other opportunities, strains have occurred due to the greater appeal of the booming Chinese economy and market to attract foreign investment. This has reduced the flow of much needed foreign capital into South East Asian countries' textile and other industries, that form the backbone of their economy. As China's economy keeps growing, such strains might intensify.

We can wonder at the future of the relations between China and ASEAN. The most important interrogations concern China's future behaviour. What will be her policies once it has reached her full pick of power, accomplished her goal of modernization of the economy and society (the aim is year 2050)? Will it take a more assertive stand in the region by switching to "hard power" (coercion through diplomatic/economic and military pressure)? What will be the consequence, if on the contrary China collapses under the strain of the economic growth and domestic unrests? Moreover, the role of the USA cannot be ignored. The USA is now engaged in the "war on terror", but the day will come when the US administration will once again look East. Despite the opportunities for cooperation, what will be the reaction of the USA? Will they accept a Chinese hegemony in the region? Finally what of the ASEAN way? Will it be sustainable under such pressures, or will the lack of strong institutions, like those of the EU, prove fatal? Will its policy of engaging China work, or will it fall apart as individual states seek US protection?

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