ASEAN-China Relations: Motivations, Opportunities, Threats and Theoretical Implications

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ASEAN-China Relations Overview

Sino-ASEAN relations could be traced back to the ancient time prior to the arrival of Western colonial powers. China exercised, in the precolonial era, its power through tributary system and trading relations. However, during the Cold War, China was seen as the threat to Southeast Asian countries given political ideology and its active supports to insurgents in those countries. There was no official relation between China and entire ASEAN before the end of Cold War. However, after 1990s China had pushed for official diplomatic relations with entire ASEAN members. According to Chinese scholars’ summary, ASEAN-China relations encompassed three phases: confrontation (1967 to the mid-1970s), reconciliation (the mid to late 1970s), cooperation (the 1980s and 1990s), strategic partnership (since the late 1990s) (Feng, 2002). China’s policies have respectively changed through each phase. After pushing for official tie with the regional grouping, China has been showing interests in furthering cooperation with the region. To illustrate, there were five parallel frameworks for dialogue between China and ASEAN such as: China-ASEAN political consultation at the senior official level, China-ASEAN Joint Committee on economic and Trade Cooperation, ASEAN-China Joint Cooperation (ACJCC), China-ASEAN Joint Committee on Scientific and Technological Cooperation, and ASEAN-Beijing Committee. Besides, China also participated in multilateral engagement platforms of ASEAN, namely ASEAN Regional Forum (ARF), the Joint Cooperation Committee (JCC) Meeting, and the ASEAN-China Senior Official Meeting (SOM) or ASEAN+3 (APT). As the relations between China and ASEAN have progressed at remarkable phase, both ASEAN and China need each other in both security and economic fronts. Moreover, ASEAN and China have managed to find innovative ways to deal with challenges and move the relations forwards. The relations have expanded from economic cooperation to security and non-security agenda.

Motivations for ASEAN-China Relations

Following the Tiananmen Square massacre in 1989, condemnation, pressure and isolation policies from the West were placed on China; China therefore had no alternative but to shift its attention to Southeast Asia to avoid isolation. The change in China’s policy is not the coincidence. Recognizing the
“ASEAN Way” of non-interference in internal affair, China and ASEAN have common view over this principle. The “Asian value” embraced by both counterparts and the non-interference policy bring about common place where economic cooperation prospers. Along the sideline, China is exercising its power to isolate Taiwan from the outside world. To benefit from Chinese economic growth, ASEAN has to trade off relations with Taiwan – China appeals ASEAN countries for “one China policy”.

Sino-ASEAN relations are entrenched by mutual interests. Cooperation has developed significantly in the fields of economy and trade, socio-cultural and people-to-people interaction, and political as well as security. ASEAN views toward China were relatively optimistic compared to those of the past. The growth and development of ASEAN as well as China bring both sides mutual gains. China supports ASEAN’s integration through the promotion of trade and investment within the region. Additionally, it has contributed financial support to ASEAN. China, for example, contributed US$1 million to ASEAN Development Fund and US$1 million for ASEAN Integration (IAI) project. Moreover, the establishment of ASEAN-China Free Trade Area (ACFTA) has helped ASEAN and China reduce exclusive dependence on the economies of the other powers such as the United State, South Korea, Japan or EU, so China rise is alternative engagement for ASEAN.

While economies of Western countries and Japan were contaminated by sluggish growth, China has been well-performed with impressive growth in the last decades. Recognizing the opportunities, Southeast Asian countries have more incentives to ride with Chinese wave for the immediate economic gains. Likewise, continuous supports of China and no string attached development aid have fastened the dominance of China in the region. More than that, non-traditional security cooperation finds ways for mutual cooperation in the areas, including terrorism, drug trafficking, human trafficking and sea piracy because of geographical proximity and mutual interests. China and ASEAN countries, especially continental states, view one another as “backyard”, so cooperation is crucial to the stability of the region – China has more incentives as it wishes to build strategic security bulwark against possible external threats.

**Opportunities**

Now that ASEAN-China relations are developing to the strategic and partnership level which ensure peace, stability, cooperation and prosperity in the region, both ASEAN and China are undoubtedly benefiting from these relations. There opportunities which can be found in the relations between ASEAN and China – economy, security and non-security agenda.
In 2002, ASEAN and China had established the ASEAN-China free trade (ACFTA), which has promoted the development of regional trade, economic relation, investment and labor mobility within the region. Through ACFTA, both ASEAN and China have found mutual economic gains. The average tariff for imported good from and to China was reduced to 5.5% in 2007 and vice versa. More importantly, bilateral trade between ASEAN and China increased at 37-fold from US$7.96 billion in 1991 to US$292.78 billion in 2010, with 20 percent annual growth. China continues to be ASEAN’s largest trading partner, representing for 11.3% of ASEAN's total trade while ASEAN remains to be China’s 4th largest trading partner accounting for 9.8% of China’s total trade. ASEAN became China’s 3rd largest trading partner in 2011 (ASEAN Secretariat, 2011).

Great leap in investment is also the prospect for the dynamics Sino-ASEAN relations. On the one hand, China is now the major source of investment in Southeast Asia through increasing influx of Chinese FDI, and China is now the potential market for Southeast Asian consumer products as middle-class Chinese gains in size. On the other hand, sizeable number of FDIs from ASEAN countries have also made up large proportion investment in China, especially Singapore. Since 1995, a number of investors from ASEAN countries came to invest in China and the figure keeps increasing gradually by US$3 billion annually. By 2007, ASEAN business made 1920 contracts in investment that it cost 12.1 billion US in total and US$4.4 billion were executed (Yuzhu, 2009). Besides trade and investment, two-way tourism bring about mutual gain, especially for ASEAN. In 2010, more than 5 million Chinese tourists visited ASEAN countries (Xinhuanet, 2011).

Another opportunity for the relations of both China and ASEAN is the security stability. Through economic cooperation and strategic cooperation, the level of interdependence between both sides increase to the higher level. With common vulnerability and interdependence, new security arrangement appears in the Asia Pacific region. Proactive engagement of China in the multilateral frameworks of ASEAN such as ARF, APT or EAS reduces significantly the threats of China. As a result, there is the prospect for peace and stability in the region along with economic development.

Last but not least, the cooperative actions of China in the area of non-traditional security is of great importance. China and ASEAN have joint hand to counter transnational crime, terrorism, drug trafficking, human trafficking and sea piracy. The concerns of human security of both will positively boost the well-being of people of both sides.
Threats

Besides opportunities, there are also threats embedded in the relations. The rise of China is not completely free of challenges for ASEAN, particularly in the areas of security and geopolitical domination. China has almost two times the territorial and population sizes of all other Asian Pacific countries combined. More importantly, though ASEAN initially enjoyed some surplus of trade with China, the volume has decreased and the data illustrates the trade deficit of ASEAN instead. In 2008, ASEAN deficit was amount to US$21.5 billion, and the volumes continue to rise (Li & Kwa, 2011). In the field of economic development, China is not only the partner of ASEAN but also the fierce competitors. For one reason, China absorbs large proportion of foreign investment flowing in Asia due to resources availability and large market. Additionally, the products of both China and ASEAN is of competition in foreign markets. As Chinese products are relatively expensive, ASEAN products long lose their competitive advantages and finally lead to the disruption of the entire Southeast Asian economies. Once ACFTA fully realized, the cheap products of China will flood the markets of ASEAN countries, particularly the poor members of ASEAN whose development gap is still high. As a result, industry in those country will be damaged and stay at low profile.

Another major challenge of Sino-ASEAN relations is security threat. As China is striving to maximize the military capacity, the ASEAN countries whose claims are against China is the conflict South China Sea will be at risk. With uncertain military budget and intention of China, the rise of China pose security concerns in the region, leading to the security dilemma. On security dilemma perspectives, the regional security as that of Asia Pacific will be unstable as rival states are striving to engage external powers in the region to balance with the rise of China. In return, this situation is impelling China to maximize its powers in the region. In other word, the rise of China in the field of military pose the security concerns directly to ASEAN claimants in South China Sea and East Asian countries as well as the external stakeholder. The possible interpretation of this security threat the future Pacific-wide tension, which may lead to large scale war in the time to come.

Foreign Policy Implication

Since the end of Cold-War, China’s policies toward Southeast Asian countries have changed remarkably as ideological barriers diminished. Thereafter the end of Cold War, China has exercised benign and careful approaches, both bilateral and multilateral, toward Southeast Asian states. In doing so, China has enhanced economic cooperation, as well as constructive diplomacy, and softened its assertiveness in
Spratly claim in South China Sea. China also participated in regional forums to reduce the “security threat” of ASEAN counterparts. In other word, China is engaging Southeast Asia through “good neighborliness” policy by enhancing good relations in three areas: multilateral engagement and building political trust, economic and functional cooperation, and bilateral relation and good neighborliness (Zha & Hu, 2006). Against these policies, ASEAN countries tend to express fear of Chinese hegemony, economic overture and military might. However, ASEAN countries have changed significantly their view over China, and seek to ride on China’s economic rise through further cooperation. Consistently positive and supportive policy of China toward Southeast Asia builds confidence of ASEAN toward China. The proactive support of China in term of sovereignty integrity and non-interference in internal affair are vigorously welcomed by ASEAN members due it reciprocity. For example, China’s stance in Iraq war was favorable for Malaysia and Indonesia, both of are Islam-dominated ASEAN state and strongly opposed US war in Iraq. Moreover, the supportive and proactive roles of China in the area of economic assistance during the Asian economic crisis was seen by ASEAN counterparts as signpost for future cooperation within consistent policy.

Yet, recent aggressive assertiveness of China in South China Sea dispute has set back strategic relations between China and ASEAN. In particular, diplomatic relations between China and Philippines, as well as Vietnam and other ASEAN claimants, have been tightened by few recent incidents in disputed area. The most recent tension began in April when eight Chinese fishing ships were discovered by the Philippines Navy poaching in vicinity of Scarborough. Two Chinese marine surveillance ships came to intervene; it almost led confrontation between the two marine forces (Wagner, 2012). Participation of China in drafting Code of Conduct (COC) of parties to South China Conflict is a heated debate amongst ASEAN members, particularly during the 45th ASEAN Summit in Phnom Penh. Another negative inference of ASEAN toward can be addressed through the large amount and uncertainty of China military budget and capacities. The official military budget of China is amount to 670 billion Yuan in 2012 ($106 billion), $10 billion more than 2011 expense (Richburg, 2012). The fact that China increases its military budget obviously alarms its neighbors, especially ASEAN claimants who are now seeking to bandwagon with other powers to balance amidst China.

During the entire Cold War, Southeast Asia countries were bandwagoning with the two superpowers. As the proliferation of communism and security issues posed no more threat, Southeast Asian countries were no longer in need of protector and tended reinforce their policy toward economic development; and US roles in the region became less significant due to reluctance of US toward Southeast Asia. The need for economic development and the “ASEAN Way” and “Asian Value” policy of ASEAN gave
a harmonious place for China’s foreign policy. Welcoming policy of ASEAN paves the way for further engagement of China in the region. Desire of ASEAN countries to benefit from the rise of China economy gives green light for China to further cooperation in the region. Regarding the South China Sea conflict, ASEAN has found no common and consensus ground against China (Das, 2012), and ASEAN countries individually have their own bilateral policy in engagement with China. With no single and consistent policy, China has the opportunity to play off given while ASEAN is losing its bargain power against China. On the other front, Southeast Asian countries are striving to bring in other powers, particularly US, Japan, India or Russia, to join the vacuum in order to achieve the balance of power in the region. The surprised arrival of USS North Carolina at the time when the relations between Beijing and Manila is being tightened can be interpreted as the reinforcement of US military presence in the region. China therefore has to be alerted. Similar actions – engagement with external powers – are also being taken by other active claimants.

With sheer economic growth, China is actively pursuing its economic and political dominance in the region and striving to build hedge against other actors from entering into this region. The close relations between ASEAN and China have conveyed economic, political and security implication to other actors whose interests are also in the region. Basically, China’s presence in Southeast Asia, which was previously the U.S. sphere of influence, ignites security and economic challenges for the US. Southeast Asia is the geostrategic location where the U.S. considers as important, especially with the rise of China. Malacca strait and South China Sea is of importance because it is ship navigation passage and international trade route where economy of East Asian countries such as Japan, South Korea and Taiwan is greatly dependent on for exports and importation of energy resources from middle-east. It is estimated that over one-third of the world’s ship navigation passes through this conduit, half of which is gas and oil traffic (Das, 2012). China’s presence could be viewed as threat to the US and its allies’ interests, for in case China successfully takes over the territorial claims economic development, geo-military strategies of the US and its allies will be threatened.

In addition, the fact that China became first participant to ARF in 1994 and full dialogue partner in 1996, establishment of ACFTA in 2002 and acceding Treaty of Amity and Cooperation of China serve as a clear message to other stakeholders that they have to revive their policies towards ASEAN so as to speed up their level of cooperation with this region. The realization of CAFTA in 2002 was the incentive for other actor to fasten the economic cooperation with ASEAN by doing the same thing. For instance, ASEAN-Republic of Korea FTA was signed in 2006, Agreement on Comprehensive Economic Partnership between ASEAN and Japan was reached in 2008; ASEAN-India FTA was acceded in 2009; and ASEAN-CER FTA
between ASEAN and Australia as well as New Zealand was also signed in 2009. The participation of China in ARF and acceding of TAC have also resulted in the same reactions by those other actors. Likewise, the other actors such as Japan, South Korea, Australia or EU have also sought to increase their stake in security and political affair of the region, following China’s footprint.

ASEAN-China Relations within Theoretical Frameworks

Sino-ASEAN is the mixture of positive and negative prospects – threat and opportunities. Various comments have been made regarding this close relation. From the theoretical view, Sino-ASEAN relations can be explained by employing various IR theories. With limited scope, this analysis will use only realism, liberalism and social constructivism to interpret the benchmark of this relations.

In realist perspectives, the rise of China is the security threat for Southeast Asian countries, and this paradigm leads to the security dilemma, especially in Asia Pacific. The maximization of China’s military capacities is alarming Southeast Asian claimants of conflicting South China Sea. Likewise, the rise of China and close engagement with ASEAN have placed the security hedge against US and its East Asian allies – particularly in the area of security and economy. Active involvement and aggressive assertiveness of China are viewed as security dilemma, which is the core argument of realism, and this pushes other stakeholders to take counter-actions. To illustrate, Vietnam and the Philippines, proactive claimants against China, are striving to build their military capacity and maritime forces. Over the recent flare-up in the tension with China, the Philippines pledged to purchase new fighter jets made outside of the US. In the interview with Manila’s Bombo Radio, President Benigno Aquino was quoted as saying “We might end up spending $400 million or $800 million per squadron, and we were thinking of getting two squadrons” (The Manila Time, 2012). Regarding the rise of China, ASEAN has been playing off game by engaging other external actors into the region to achieve the balance of power. ASEAN has been engaging China into the multilateral platform with other major powers so that balance of power can be achieved in the region. The close move of Philippine and Vietnam toward external powers such as the US, India and Russia in the field of military strategy is a clear example of balancing efforts. In particular, while the Sino-Philippines relations was tightened by recent incidents in the South China Sea water, Philippines and the US conducted on April 16, 2012 the military exercise known as Balikatan near Scarborough Shoal of Spratleys. The exercise is claimed to have 2,300 military personnel from the Philippines side and the other 4,500 from the US side; this exercise was conducted for 12 days (RFI Khmer, 2012). The action of Philippines can be interpreted as the containment of China military assertiveness so that power can be balanced.
On the other end of analysis, liberalist ideas shall be taken into account in interpreting Sino-ASEAN relations. Liberals see the soft emergence of China as opportunities. In other word, economic cooperation between ASEAN and China establish and enhance interdependence between the two counterparts. For instance, in the first half of 2011, ASEAN-China trade amounted up to $171.12 billion, increasing by 25 percent year-on-year (Xinhua, 2011). With significant trade volumes, the possibilities of hostilities will diminish in prospects, for war is costly and less desirable—argument of interdependence liberalism. The creation of ACFTA in 2002 broke the ground for further cooperation and interdependence. Another evidence for liberals’ argument is the engagement between ASEAN and China in international forums so that the relations can be institutionalized. With common interests and mutual respect, cooperation in the areas of economy, politics, and security is being advanced to strategic partnership. Within the strand of institutional liberalism, participation of China in ARF in 1994 and the acceding of TAC in 2003 help institutionalize Sino-ASEAN relations into the level of multilateralism. In this case, war is no longer possible since peaceful conflict settlement mechanisms have been put in place. Another liberals’ mean to explain the harmonious betterment of Sino-ASEAN relations is the explanation of sociological liberalism. The number of Chinese minority in ASEAN countries is enormous that it enhance cooperation rather than hostilities. Hitherto 2005, oversea Chinese, most of which are living in Southeast Asia, totaled 40 million (Peopl Daily Online, 2005). The interactions of Chinese minority in Southeast Asian and those in China play important roles in economic development and mutual cooperation between ASEAN and China – through transnational relations peace can be ensured.

From the view of social constructivists, Sino-ASEAN relation is shaped by common norms and identities, remarkably formulated by among ASEAN members. Amitav Achariya (2001) argues that common vulnerability, shared consciousness, a “we-feeling,” embedded in “ASEAN way” and norm-creating culture are the crucial elements of the collective identity which creates ASEAN community. ASEAN manages to gain its credibility in the success of engaging China in regional consultative framework platforms, namely ASEAN Regional Forum (ARF), the ASEAN+3 (APT) and the East Asian Summit (EAS). In this way that collective identities are shared norm are Sino-ASEAN relations, harmonizing the relations. In other word, the proactive role of ASEAN in engaging the China in multilateral frameworks shaped collective identities and norms between the counterparts so that threats of rising China are kept in low profile while cooperation is being enhanced to strategic level.
Conclusion

Sino-ASEAN relations can be traced back to the ancient time before Western colonial powers occupied the region. The “tributary system” was used by China to maintain the relations with Southeast Asian minor states. Sino-ASEAN relations were in dark cloud due to the ideological barriers and hostile policy of both sides. In the wake of post-Cold War, however, restoration of relations between China and ASEAN has been in noteworthy progress – from confrontation to strategic partnership.

The ASEAN-China relation is of both opportunities and threats. Because of sheer economic benefits, ASEAN countries tend to ride with China wave, and threats of rising are kept in low profile. Soft policies and economic cooperation provide ASEAN countries with prospects of strategic engagement and emerging security stability in the region. Intention of China to lower its assertiveness in the South China Sea territory claim and engagement in multilateralism increase confidence among ASEAN members. In contrast, recent aggressive assertiveness of China in the disputed South China Sea provokes the tension, so good image of China is to some extent is deteriorating. Chinese military capabilities maximization, on the other hand, alarms its rivals and neighbors, and this situation gives the way for Chinese security concerns and security dilemma in Asia-Pacific if the power is to be balanced in medium and long term period. Sino-ASEAN relation is not free of direct and indirect policy implication. Each counterpart, including ASEAN, China and external actors, is watching how new policies are to be taken. ASEAN-China relations, in other word, are of both opportunities and threats. ASEAN is enjoying the benefits of China growth, but the long-term intension of China is not really foreseeable.

Within theoretical perspectives, Sino-ASEAN relations can be variously interpreted. The argument of realism can be concluded as security concern as well as security dilemma in the region, while liberals emphasize their focuses on economic cooperation, transnational relations and institutionalized multilateralism. Last but not least, collective identities and common norms embedded in ASEAN community also help shape the relations – social constructivism. In the prospects of the ASEAN-China relations, cooperation and peaceful growth will be more possible since Pacific large scale war is not very feasible as the recent situation is quite stable. Dialogue and consultation embedded in ASEAN community would be the mechanisms to bring involving parties to negotiation table if the national interests are not severely impacted.
References


