

Moving the ASEAN-China Strategic Partnership Forward: Confronting the Challenges and Laying the Principles

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Introduction

The Association of Southeast Asian Nations (ASEAN) recently celebrated its 50th founding anniversary. Notwithstanding several issues that it is facing, ASEAN has been an important part in the evolution of inter-state relations in the Southeast Asian region and the wider Asia-Pacific. China's rise, or some say return to great power status brings about new opportunities and challenges to its relationship with ASEAN. This essay will examine how the past relationship has been and the ways in which the relationship can go forward.

26 Years of ASEAN-China Dialogue Relations

A good place to start examining the official relations between ASEAN and China as dialogue partners would be the ASEAN Secretariat which has published online an overview of the ASEAN-China relations.¹ Documenting over 26 years of relations, the ASEAN Secretariat's report highlights several significant undertakings over the years.

These accomplishments are part of the confidence-building processes between China and the member-states of ASEAN and it is arguable that among the latter's dialogue partners, the former has been one of the most consistent in building bridges through ASEAN-led processes. Consider for example in the Political-Security realm. China was among the first to accede to the Treaty of Amity and Cooperation and was the first to agree to accede to the Protocol to the Southeast Asia Nuclear Weapons Free Zone (SEANWFZ).² Although a political document, the Declaration of the Conduct of Parties in the South China Sea is proof that if ASEAN and China want it, they could proceed with serious discussions on the South China Sea disputes.

In the economic realm, the relations between ASEAN and China have been consistent and enriching for the two sides. The ASEAN-China Free Trade Area, while relatively low-key has been progressing. China remains to be ASEAN's largest trading partner with total bilateral trade amounting to USD 346 billion in 2015 or 15.2 percent of ASEAN's total trade.³ Foreign direct investment (FDI) from China to ASEAN in 2015 was USD 8.2 billion thus making the former, the latter's fourth largest source of FDI. ASEAN-China cooperation has also been instrumental in realizing the ASEAN-China Free Trade Area (ACFTA) and its upgrade protocol, which entered into force on 1 July 2016.⁴

¹ See <http://asean.org/storage/2016/01/Overview-of-ASEAN-China-Relations-April-2017.pdf>

² Ibid.

³ Ibid.

⁴ Ibid.

In terms of socio-cultural cooperation, ASEAN and China have conducted exchanges in the areas of education, environment, health, culture, labor, and science and technology among others. Some highlights include the establishment of the China-ASEAN Environment Center in 2010 in Beijing, various youth cooperation programs, forums on culture, and financial support for disaster response among others.⁵

ASEAN and China need these successful confidence-building measures because not all is well and good between the two sides. There are several issues which will threaten how the two sides will move forward because they strike directly into national interests and affect the regional organization. Nowhere is this more apparent than in the territorial and maritime disputes in the South China Sea. Much ink has been spilled on this issue; for this paper, it is sufficient to say that if the two sides will not be serious in finding means to assuage each other on the different facets of this issue, ASEAN and China relations will never move forward despite important initiatives such as this one organized by the Network of ASEAN-China Think-Tanks.

New Vision of ASEAN-China Strategic Partnership

What should the new vision of ASEAN-China Strategic Partnership be? Clearly, words such as centrality, win-win, common dreams, and the like will not be sufficient anymore. What is crucial at this point is getting the institutions right. According to Douglass North, renowned economic historian and Nobel Prize Laureate, institutions are “humanly devised constraints that structure political, economic, and social interactions.”⁶ Formal institutions (such as constitutions, laws, charters, and treaties) and informal institutions (norms, taboos, customs, and traditions) are designed to reduce uncertainty and create order.⁷ Without getting institutions right, the relationship between ASEAN and China will remain to be uncertain.

As the scholar Evelyn Goh noted, “the most crucial strategic developments in East Asia thus reside in these wider negotiations and contestations over ideas, collective beliefs and bargains about power, authority, security, and community; in other words, about the character of regional order.”⁸ The hegemony of the United States was the old order; through the cooperation of key regional states, the US has been able to exercise primacy and leadership and maintain its role as hegemon. The success of US hegemony can be attributed to its willingness to renegotiating the terms of its hegemony as the need arises.⁹

China’s return to great power status, its puzzling but plausible need for security from what it considers extra-regional powers such as the US, and its territorial and maritime disputes with infinitely lesser powerful states mean that old institutions will not work anymore and that the process of renegotiation of regional order is underway. The call therefore for the NACT to consider new visions and principles for ASEAN and China is timely and as participants in track 1.5 and track 2 processes, those of us who have been part of the NACT process must honestly struggle with the difficulties that all sides face.

Political-Security

⁵ See <http://asean.org/storage/2016/01/Overview-of-ASEAN-China-Relations-April-2017.pdf>

⁶ Douglass North, Institutions, Journal of Economic Perspectives, 5:1, 1991: 97-112.

⁷ Ibid.

⁸ Evelyn Goh, The Struggle for Order: Hegemony, Hierarchy, & Transition in Post-Cold War East Asia. Oxford University Press, Oxford: 2013, 5.

⁹ Ibid.

Despite the current disruptions in the regional order, there must be some constants. One of these constants must be the generally unused but important Treaty of Amity and Cooperation (TAC). Article 2 of the TAC holds true even today and these are:

- a. Mutual respect for the independence, sovereignty, equality, territorial integrity and national identity of all nations;
- b. The right of every State to lead its national existence free from external interference, subversion or coercion;
- c. Non-interference in the internal affairs of one another;
- d. Settlement of differences or disputes by peaceful means;
- e. Renunciation of the threat or use of force;
- f. Effective cooperation among themselves.

Most primarily applied to the South China, the analyst Tang Siew Mun admonished ASEAN and China to have a reality check on this sensitive but critical issue.¹⁰ Dr. Tang's ASEAN Studies Center at the Singapore-based Institute of Southeast Asian Studies surveyed 318 Southeast Asian academics, policymakers, business people, civil society leaders, and media personalities and the most crucial finding is that,

“Seventy-four per cent of the respondents recognise China as the most influential power in the region but 72 per cent of the respondents share their views that they have little or no confidence in China to “do the right thing” in upholding global peace, security, prosperity and governance.”¹¹

The ISEAS survey has a huge implication for ASEAN-China relations. While ASEAN member-states may seek to find common ground with China on security and other areas, at the end of the day, strategic trust will not be there. Belittling the lack of trust between China and ASEAN will not do both sides any good. For ASEAN leaders, it is imperative that seeking to benefit from China's economic largesse should not be at the expense of the region's common regional interest. As Tang observes “When Asean ignores the reality in its statements, it weakens its own credibility. By the same token, when this “reality” is kept off the Asean plate, it does not mean that it is not real and its consequences can be ignored.”¹² ASEAN leaders cannot be fully separated from the opinions, beliefs, and influence of its people on this issue as to do so would further weaken the remaining credibility of ASEAN while inflicting more damage on the region.

From the perspective of ASEAN peoples, China shares the blame as well. Dr. Tang warns China that “Asean and the world will form their views on China based on the latter's actions on the ground and not through its success in keeping sensitive words such as “land reclamation” and “militarisation” out of Asean's official documents” leading him to conclude that “China has also lost ground by fuelling the region's growing distrust towards Beijing.”

Thus, the goals of ASEAN-China cooperation in the strategic front are simple. First is to reduce strategic mistrust. This can be done by concluding a code of conduct in the South China Sea. Without a

¹⁰ See Tang Siew Mun, Asean, China need reality check on South China Sea issue , Today Online, 4 May 2017, <https://www.todayonline.com/world/asean-china-need-reality-check-s-china-sea-issue>

¹¹ Ibid.

¹² Ibid.

code of conduct, there is no proof that China is sincere in its intention. Second, it is hard but there must be serious attempts to find a solution to the maritime disputes. As demand for food and other resources grow, maritime disputes will further escalate as fisherfolks, exploration ships, coastguards, and possibly navies find themselves facing each other more often. Third, China must try to put itself in the shoes of its neighbors. Attempts to remind ASEAN states that they are small countries or that they have no right to be allies with other states without China's permission cause consternation and sow fear in ASEAN. By being big, China is immediately feared by its neighbors. One must look at the lessons of the Beijing Olympics in 2008. The world, most especially ASEAN, saw the power and grandeur of China in full display. It created a sense of camaraderie and affection as it was proof that Asian countries can rise to such heights. All of these gains, as many observers have noted, were washed away when China's neighbors saw how belligerent it was in the South China Sea.

By being big, China is a force to be reckoned with. By being a geographic neighbor, China creates its own uncertainties.

Economic Relations

In the economic realm, the Belt and Road Initiative and the Asian Infrastructure and Investment Bank are important to the region. The infrastructure financing need in Asia is so huge that all efforts to contribute to this are welcome, according to the Asian Development Bank.¹³ Thus, there should be no hindrance to welcoming the BRI and the AIIB. Some ideas that need to be explored are the following:

1. How can the AIIB and the BRI contribute and strengthen the Master Plan on ASEAN Connectivity (MPAC)? The two sides must find ways to further synergize their approaches to infrastructure and connectivity and there have been attempts to critically examine how this can be done.¹⁴
2. China's investments must not be a new form of pernicious official development assistance that creates a vicious cycle resulting in neo-colonialism.¹⁵ There are fears already that China's investments through the BRI have only resulted in further impoverishing the recipient state and indebting them to Beijing.¹⁶
3. Economic statecraft must be used to deepen trade and not use it as a coercive tool.¹⁷ While it is easy to contemplate for some countries to use trade and market as leverage, this temptation must be resisted.

A final note on economic cooperation must be made here. Both China and ASEAN have benefited from their robust economic relations. There are many ways and possibilities for them to further contribute to each other's development and progress. More complementarity and synergy must be on the agenda for the two sides.

¹³See <https://www.institutionalinvestor.com/article/b1505p835vzftg/adb-summit-no-rivalry-in-asian-infrastructure>

¹⁴ See for example Vijay Sakhuja and Jane Chan (eds), *China's Maritime Silk Road and Asia*. National Maritime Foundation, Delhi: 2016.

¹⁵Lora Saalman and Knut Dethlefsen, *Following the Forum: China's Belt and Road Initiative and the EU* <http://library.fes.de/pdf-files/bueros/singapur/13565.pdf>

¹⁶ As an example, <https://www.nytimes.com/2017/12/12/world/asia/sri-lanka-china-port.html>

¹⁷ G. John Ikenberry and Darrel Lim, *China's Emerging Institutional statecraft*, Brookings: 2017. <https://www.brookings.edu/wp-content/uploads/2017/04/chinas-emerging-institutional-statecraft.pdf>

Education and People to People Cooperation

China's scientific advances are well-known. China has developed high-speed rails that can compete with Japan; is fast becoming a cashless society using electronic and mobile banking, and has made advances in other areas of technology. Tim Cook, the CEO of Apple, made the following remarks at the Fortune Global Forum in 2017,

"There's a confusion about China. The popular conception is that companies come to China because of low labor cost. I'm not sure what part of China they go to but the truth is China stopped being the low labor cost country many years ago. And that is not the reason to come to China from a supply point of view. The reason is because of the skill, and the quantity of skill in one location and the type of skill it is."

China's success in creating a workforce that is highly skilled coupled with its populations should be the envy of other states. Its neighbors in ASEAN should take note of this and find a way to complement this development. Among the principles that should be encouraged are the following:

1. Encourage ASEAN citizens to further take advantage of educational opportunities in China especially in the scientific and technological fields.
2. Promote technology transfer between China and ASEAN through scientific cooperation.
3. Seriously promote mutual understanding by encouraging more students from ASEAN to study in China and Chinese students to study in ASEAN.
4. Have more cultural exchanges especially performances through their cultural centers.

Final Remarks

Obviously, more can be done to deepen the strategic partnership between China and ASEAN. But the key here is understanding that plans of actions, memorandums of understanding, and the like are only supplementary to but not a replacement of the institutions that need to exist, institutions that reduce uncertainty and promote an acceptable order between ASEAN, China, and perhaps, the rest of the world. If one were to cite a cultural behavior on how to go about this, in the Philippines, there is a belief that he who is older and wiser must be more lenient, more gracious, and more giving. Perhaps such a fraternal approach to diplomatic relations can be fruitful.