

CHINA-ASEAN RELATIONS: IMPLICATIONS FOR U.S. INTERESTS

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Abstract

Since the establishment of ASEAN, relations between China and ASEAN were not so good. Till early 1990s China viewed ASEAN with suspicion as being anti-communist block. However, by the mid-1990s, Association of Southeast Asian Nations (ASEAN) and China developed their relations and currently they have established very strong economic and trade, and political relations as well as security cooperation. On the other hand, inspired by vibrant economic growth of ASEAN member countries and with permanent objective to check the growing influence of China, USA is also actively engaged to stabilize bilateral as well as multi-lateral relations with the countries of this region. This paper attempts to describe China-ASEAN economic, trade and political relations along with their security cooperation. The paper also discusses the possible implications of China-ASEAN relations for the American interests in the region.

Keyword: ASEAN, Bilateral relations, multi-lateral relations.

Introduction

After the end of cold war many countries brought a shift in their foreign policies and reviewed their policy options to adjust themselves into the new emerging scenario. Similarly, Chinese policy makers show their interest to seek closer relations with the countries of the Southeast Asian region. "ASEAN-China Dialogue Relations commenced when H.E. Qian Qichen, the then Foreign Minister of the People's Republic of China, attended the opening

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session of the 24th ASEAN Ministerial Meeting in July 1991 in Kuala Lumpur as a guest of the Malaysian Government in which he expressed China's keen interest to cooperate with ASEAN for mutual benefit" (ASEAN Secretariat, 2012, December). In the subsequent events, their relations grew stronger and China was given the status of full Dialogue Partner at the 29th AMM in July 1996 in Jakarta (ASEAN Secretariat, 2012, December). Since then China and ASEAN have signed various agreements to make their relations stronger and to increase mutual cooperation. During the 7th China-ASEAN Summit in 2003 in Indonesia, they signed Joint Declaration of Heads of State on Strategic Partnership for Peace and Prosperity. In order to implement joint declaration they adopted Plan of Action (POA) for the period 2005-2010, during the 8th China-ASEAN Summit in 2004 in Vietnam. Again they signed similar Plan of Action for the period 2010-2015 in 2010 at Hanoi to deepen their strategic partnership. Resultantly, the relationship between the two has been elevated to the highest level. Moreover, for strong communication and coordination China has established its mission to ASEAN in Jakarta and has appointed its first resident Ambassador as well in 2012. China is very much aware of the strategic and economic significance of the ASEAN region. Therefore, China is determined to elevate the relations with ASEAN to the highest planes. More recently, after President Xi concluded his state visits, on eve of meeting of Asia Pacific Economic Forum (APEC) hosted by Indonesia and annual ASEAN Summit; the Chinese Premier Li Keqiang attended the 16th China-ASEAN Leaders' Meeting in Brunei where Chinese Premier offered various proposals for developing bilateral relations between China and ASEAN. "Showing China's determination, Premier Li offered seven proposals for developing the ASEAN-China Strategic Partnership. Four of them emphasize the widening of economic cooperation. This indicates that economic cooperation is undoubtedly the centripetal force of China-ASEAN relations. Maintaining peaceful relations through conducting economic

cooperation with the region is necessary for China's rapidly growing economy". However, apprehensions of some ASEAN member countries about the growing influence of China in the region and issue of South China Sea are the major threat to the developing bilateral relations between China and Association of South East Nations. Foreign powers can take it as an opportunity to provide a setback to the growing bilateral relations between China and ASEAN but China is very much careful about the intensity of matter. Therefore, it is dealing with not only ASEAN but individually with the aggrieved ASEAN member countries also. The developing ASEAN-China relations have significant impact over the strategic and economic interests of America in this region.

Political Relations

ASEAN and China enjoy close relations. With the continued commitment of both partners, their relations have grown to an unprecedented level. They have enhanced their bilateral, political and security cooperation through continuous dialogue and consultations. China is actively participating in various events initiated by ASEAN like ASEAN Regional Forum (ARF), Asean+3, (EAS) East Asia Summit. These forums have provided an opportunity to the Chinese policy makers to interact with the countries of this region and to stabilize relations not only with them but bilateral relations between China and ASEAN also. Ministerial meetings, mutual official visits, summits and agreements have provided them a source to stabilize their bilateral relations. It is through political interaction that both have improved their security and economic relations. China is very conscious about growing influence of USA in the region, so, in order to avoid any hindrance to its peaceful emergence, China wants close and cordial relations with not only ASEAN but separately with the countries of this region also. On the other hand, ASEAN is keen to promote peaceful environment in the region to ensure its smooth and unhindered

growth. However, South China Sea problem is a potential threat to the relations between China and ASEAN, because, some of the ASEAN members have claimed also rights over the parts of the South China Sea, which has been rejected by China. So, "ASEAN and China signed the DOC with the desire to promote peaceful, friendly and harmonious environment in the South China Sea, in November 2002 in Phnom Penh. After a series of discussions, on 21 July 2011 in Bali, ASEAN and China adopted the Guidelines to implement the DOC" (ASEAN Secretariat, 2012, December). Their bilateral cooperation for peaceful solution of disputes is expected to further improve their ties and enhance mutual cooperation and trust between the two. The sort of architecture they have initiated will prove a long way to avoid interference of any outside power.

Economic Cooperation

Behind the urge to improve political relations is the ultimate goal to seek closer trade and economic relations. Similarly, Trade and Economic relations is also major objective of China and ASEAN. "Economic cooperation has been the main cornerstone of China and ASEAN's growing ties. In 2009, China became ASEAN's largest trading partner as Southeast Asia sought to capitalize on China's booming economy," (Zachary, 2013, October 04). After signing Free Trade Agreement (FTA) China has become largest trading partner of ASEAN. The level of bilateral Trade between ASEAN and China increased by 20.9% from US\$232 billion in 2010 to US\$280.4 billion in 2011(ASEAN Secretariat, 2012, December). "According to ASEAN statistics in 2011, ASEAN exported US\$145.7 billion, an increase of 28.9% compared to the previous year. Imports from China grew by 13.2% amounting to US\$134.7 billion. Balance of trade was in ASEAN's favour for the first time in 2011, with exports exceeding imports by US\$11 billion. According to the Chinese statistics for 2011, ASEAN is currently China's third largest trading partner, stepping up from fourth place in 2010. According to ASEAN

statistics, the foreign direct investment flow from China to ASEAN increased significantly by 117% from US\$2.7 billion in 2010 to US\$5.9 billion in 2011" (ASEAN Secretariat, December 2012). These statistics regarding bilateral trade and economic relations between China and ASEAN reveal the fact that Economic cooperation has remained major interest of both partners.

Impediments

Despite growing economic relations, still there are some obstacles with potential to disturb bilateral ties between China and ASEAN. The issue of South China Sea is a major potential threat to their growing cooperation. Though both parties have signed a DOC to settle the dispute but so far it has failed to bring any fruitful results. Some member countries of ASEAN still claim rights over the said Sea whereas, China has never stepped back even an inch from its sovereignty claims over the Sea. This can prove to be a stumbling block in their way to stabilize relations. Moreover, this can become a fishing point for the outside powers to destabilize ASEAN-China relations. Further, the emergence of China has been seen with suspicions among the ASEAN member countries. They are anxious about the intensions of China in the region and fear the region to become a play ground between China and USA. Keeping in view the apprehensions of ASEAN member states, China is paying concentration to develop cordial relations with the countries of this region. Recent visit of the Chinese Premier to Indonesia, Thailand and Malaysia was meant to improve their relations.

American Interests

Given the geographic location of the region which wraps around the South of China and encompasses the South China Sea, strategic and economic significance of this region has increased. Thus, it has become one of the most important regions of the world. Geographically it is bordered with two major powers of the region;

China and India which is the second largest power of the region. The region is strategically important to America because it has strong bilateral relations with some countries in and around the region of South East Asia. Philippines, Singapore, Myanmar, Thailand, South Korea, and Taiwan are some of the close allies of the USA in the Asia Pacific region. Further, presence and security of its troops and naval ships in the region is the prime of interest of the USA. In recent years some incidents of clash have taken place between China and America over navigation issues in the region. Hence, ever increasing political and economic influence of China in the whole region is alarming for the American policy makers. Moreover, Chinese military modernization and navy build up is seen with greater suspicion by America as well as by its allies in this region. They perceive growing influence of China a threat to the regional peace. "The principal U.S. interest in Southeast Asia today lies in countering, and ultimately moderating, aggressive Chinese claims and behavior that threaten regional peace, security, and prosperity" (Lohman, 2013). However, despite growing bilateral relations between China and ASEAN, US has not lost ground, still countries of this region are equally interested in developing strong relations with America. "In fact, they are hedging by keeping America engaged and facilitating a continued U.S. military presence" (Storey, 2007). Moreover, many countries of this region enjoy very close relations and security cooperation with USA. "Although China's economic, political, and even military profile has been rising in Southeast Asia for more than a decade, this does not mean that the ASEAN states have lost interest in the United States, or that the PRC is on the cusp of becoming Southeast Asia's regional hegemon. Southeast Asian countries value the United States as a trade and investment partner and, perhaps more importantly, still view it as Asia's key off-shore balancer" (Storey, 2007). Similarly, America has shifted its focus to strengthen bilateral relations with its allies in this region and seeking new partners in the region. US policy makers have renewed security arrangements to secure and

protect its interests in the region. "In Singapore, the US has deployed four ships, while in the Philippines; the US rotates 500 personnel as part of a new cooperation with Manila. It will also rotate 2,500 marines in Darwin" (Ririhena, 2013). America's "Pivot to Asia" is designed to balance growing influence of China in the region and to enhance security cooperation with its allies in the region. However, analysts believe that the race for gaining and maintaining influence in the region between China and USA, and competing interests of both states may destabilize regional peace and smooth economic growth of the countries of this region. "The US pivot to Asia has made Southeast Asia more volatile now that the region had become a "meeting point" of US and Chinese interests. In this regard, ASEAN could play a constructive role in preventing any unintentional escalations of tension" (Ririhena, 2013). The competition for markets of the Southeast Asian region remains strong between China and the US. The Association of Southeast Asian Nations (ASEAN) is home to 600 million people and the combined GDP of the region is US\$2.1 trillion. It is expected to become one of the world's fastest growing consumer markets over the next two decades. With the establishment of the ASEAN Economic Community (AEC) by the end of 2015 the region will become one of the world's biggest single markets. China is making inroads into the markets of this region. "According to ASEAN statistics in 2011, ASEAN exported US\$145.7 billion, an increase of 28.9% compared to the previous year. Imports from China grew by 13.2% amounting to US\$134.7 billion. Balance of trade was in ASEAN's favour for the first time in 2011, with exports exceeding imports by US\$11 billion. According to the Chinese statistics for 2011, ASEAN is currently China's third largest trading partner, stepping up from fourth place in 2010" (ASEAN Secretariat, Dec 2012). The trend indicates an environment of competition between China and US for trade and investment opportunities in the region. The environment requires US to step up its engagement, play a central role in the economic, political and security affairs of the

South East Asian region. South East Asian Nations are looking for regional stability and smooth economic progress. They do not want the region to be dominated by any single power. Therefore, they are equally interested in developing close relations with both external powers.

Conclusion

China and ASEAN established their relations after 1990s, since then their relations have seen ups and downs. Their bilateral ties have been influenced by ASEAN's concerns over Beijing's drive for military modernization, emergence of China as regional power and its assertive posture in territorial disputes over the South China Sea. However, both have managed their concerns for the mutual political, security and economic benefits. Their concerns have been replaced with growing economic ties and shared geo-political interests for building regional security through multilateral processes. Since late 90s, China has expanded its influence as a major political force in the region and a locomotive for economic recovery and future opportunity. Beijing believes that strong relations with the countries of this region will help her to avoid any containment strategy and it will ensure protected sea lanes for its energy and trade supplies. The growing China-ASEAN ties could have implications for the US interests in the region. Especially the future direction of the China- ASEAN bilateral relations is perceived to create a competitive environment in the region. The US has significant interests in the region and it has been strongly pursuing its bilateral relations with the countries of this region as well as with ASEAN. The future of regional stability depends upon the role of ASEAN and its member countries.

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