China and Southeast Asia: Asymmetry, Leadership and Normalcy
Brantly Womack

China has been unusually successful in its relations with Southeast Asia during the reform era, and its success has been due primarily to the quality of its diplomatic leadership. Diplomacy involves more than the tactics and style of pursuing national interests. Although China’s diplomacy has involved dominant personalities like Deng Xiaoping and skilled statesmen like former foreign minister Qian Qichen, the key element of successful leadership has been China’s reassessment of its interests and goals vis-à-vis Southeast Asia.

Of course, a successful relationship requires cooperation on both sides, and Southeast Asian diplomacy, both as practiced by individual states and collectively through the Association of Southeast Asian Nations (ASEAN), has played an essential role. Nevertheless, it is argued here that China’s diplomacy was a key factor, and that neither the constellation of power in the region nor the increasing economic interdependence could explain China’s success. Although leadership usually draws attention because of its activity during crises, the creation of a mutually acceptable and sustainable relationship despite vast changes in relative capacities is at least an equally important achievement.

Success has not been easy. Relations with Southeast Asia have been through two stages since the Chinese reform era began in 1979. The first stage was defined by China’s hostility towards Vietnam. Since the six members of ASEAN1 at that time also opposed Vietnam’s occupation of Cambodia, China was able to improve its political and economic relations in the region. However, the region remained concerned about Chinese willingness to intervene in Indochina, and ASEAN moved more rapidly than China to improve its relations with Vietnam. The second stage was defined by the

---

1 The Association of Southeast Asian Nations was founded in 1967. Since the succession of Cambodia on April 30, 1999, it has included all ten countries of mainland and island Southeast Asia, with the current exception of East Timor.
normalization of Sino-Vietnamese relations in 1991 and more generally by China's reevaluation of its regional relations after the debacle of Tiananmen in 1989. China pursued a comprehensive policy of enhancing economic and political ties in the region, and did not oppose the expansion of ASEAN into a truly regional organization in the mid-1990s. The normalization process of the 1990s created the platform for a new era of cooperation in the past five years, crowned economically in 2002 by the signing of an agreement on establishing a China-ASEAN Free Trade Area and politically in October 2003 by China's accession to ASEAN's Treaty of Amity and Cooperation in Southeast Asia.

The ascension of success to leadership carries with it the implication that leadership could change. There are two dimensions of possible diplomatic change. Either China could change its approach or posture toward Southeast Asia for reasons intrinsic to the relationship, or it could be faced with new global challenges that would necessitate a rethinking and possible redirection of regional policy. Since the content of leadership has been the key to success and there has been broad participation by top Chinese officials in public diplomacy, the possibility of an internally-induced change is not likely despite the transfer of power from Jiang Zemin to Hu Jintao. The possibility of an externally-induced rethinking, however, is more difficult to rule out. If we assume that the United States may become more aggressive in trying to contain China, then Southeast Asia could again be a significant arena for competition. If China responded to increased American pressure by making its regional policy in Southeast Asia derivative of its of perception of American intentions then it could divide and alienate governments and publics that are currently cooperative. Such a development is by no means inevitable and is in fact unlikely, but it may be a concern that China's new leadership will have to face.

This paper is primarily an analysis of the role of leadership in China's relations with Southeast Asia rather than a detailed narration of the history of the relationship. It begins by questioning the utility of a power-oriented perspective on the relationship (structural realism), pointing out that if power were the root reality then the massive growth of China's relative military and economic capacities, in addition to the obvious demographic disparity, should have led to more balancing and bandwagoning behaviour on the part of Southeast Asian nations. Hence the cooperative nature of the relationship and its continuity since 1991 is counterintuitive, by structural realist standards.

In contrast to the structural realists, analysts who emphasize economic interdependence would see the peaceful evolution of the relationship as its most natural course. I will argue that the depiction of relations between China and Southeast Asia as an inevitable consequence of economic opportunity betrays a misleading complacency concerning the actual diplomatic choices faced. Economic opportunities (and opportunity costs) can become paramount only in an environment in which security concerns do not dominate. Proving this argument requires some attention to the actual course of the relationship.

Having argued against two general approaches that would minimize the significance of leadership, a theory of asymmetry is outlined. The larger power, in this case China, has a particular responsibility for leadership because the smaller powers are more at risk and therefore the larger power has its full attention. China has some advantages in its role of regional leadership because of its imperial tradition, its own status as a victim of larger powers, its retreat from revolutionary politics, and its reform-era emphasis on peaceful economic cooperation. As a result, China's increasing prominence in regional trade, investment and tourism is treated by Southeast Asia as a challenge of how to engage China rather than of how to protect itself from China.

Given the successful development of the relationship between China and Southeast Asia over the past decade, the momentum of the relationship supports further cooperation. The situation of regional normalcy is supported in China's global diplomacy by its high regard for multipolarity. Thus the relationship is intrinsically sustainable.

The remaining question is whether a shift in the global situation could destabilize a reasonably stable and satisfactory regional matrix of relations. If the United States shifts its policy toward Southeast Asia from one of relative unconcern and neglect to one of containment of China, then both China and Southeast Asia will have occasion to reconsider their relationship with each other. The outcome of such a reconsideration is by no means predetermined. The common interests of China and Southeast Asia are such that in general neither side would welcome a fissure. However, the capacity of the United States to provide targeted incentives and the possibility that China might reframe its policies in terms of global competition with the United States raise the possibility of new challenges for China's leadership.

Normalcy and relative power

In order to appreciate the importance of leadership in international relations it is necessary to critically evaluate theories that discount leadership. For structural realism, the most prevalent strand of American international
relations theories, relative power determines the relations between states. States with more power are secure against states with less, and can dominate the lesser states. Therefore weaker states seek to balance the threat of domination by forming alliances. Like the laws of supply and demand in economics, relative power is the primordial force in international relations; and like the grocer and the customer, diplomatic leadership does the bargaining, but it does not really set the price.

If structural realism is correct, then the first question we should ask is the relationship between China and Southeast Asia is whether the relative power of each shifted during the reform era. If China’s relative power grew, then structural realists would expect Southeast Asia to hedge against Chinese domination and to seek balancing alliances. As we shall see, China’s relative capacities did increase, but, contrary to expectation, its relations with Southeast Asia improved as well.

In terms of a market basket of domestic goods (PPP—purchasing power parity), China’s economy has exceeded that of Southeast Asia for the entire reform period and in 1994 China doubled the domestic purchasing power of all of Southeast Asia. The most important fact about China’s PPP performance is that it has increased its domestic purchasing advantage during the reform period, sustaining the basis of low-wage competition for the foreseeable future. In terms of tradable dollars, the Chinese GDP has grown from two-thirds of the Southeast Asian economy in 1980 to almost one-and-a-half times its size in 2000. In 1993 it passed the threshold of economic parity with Southeast Asia. When we add to the increase of the scale of China’s economy the fact that it has been internationalized during this period, China has, in effect, gotten bigger and moved closer to Southeast Asia.

Similarly, China achieved parity with Southeast Asia in military budgets by 1989, and it jumped ahead with large increases after Tiananmen. Then it experienced a relative decline as Southeast Asian military budgets responded to the prospect of the mid-1980s. With the fiscal sobering experience of the Asian financial crisis of 1997, however, Southeast Asia cut back its military while China surged ahead. Moreover, China’s launch of a manned spacecraft in October 2003 demonstrates technical capabilities that are beyond the reach of Southeast Asia.

Population was the only major dimension in which China showed a decline compared to Southeast Asia. However, the decline was from 275 percent of the region’s population in 1980 to 244 percent in 2000—a still impressive demographic advantage. Overall, in economic and military terms China has moved into a commanding lead vis-à-vis Southeast Asia, and in demographics it has maintained its position.

For international relations theorists like Kenneth Waltz and John Mearsheimer, who assume that relative power implies domination and that therefore the only security lies in superiority, the change in relative capacities described above should have led to massive changes in political relationships. Individually and collectively, the countries of Southeast Asia should have moved to contain China and to balance China’s dominance by allying with third countries. ASEAN itself could have provided a natural framework for regional collective security against China, and ties with the United States could have been strengthened to balance and contain China. Alternatively, some or all of the ASEAN states could have decided to submit to Chinese domination and jump on the bandwagon of China’s growth. On the other side of the coin, one might expect China to discourage regional cohesion, to penalize balancing, and to reward bandwagoning.

Although elements of all of these reactions can be detected in recent Southeast Asian diplomacy, the mainstream of the relationship between China and Southeast Asia has been toward closer, more diverse and more stable ties. Especially in the 1990s, as the thresholds of economic and military parity were crossed, China normalized its relations with Indonesia, Singapore, Vietnam, Cambodia and Laos, and improved economic and even military ties across the region. China did not oppose the expansion of ASEAN into a complete regional organization, and, after some initial concerns, it supported the Asia Regional Forum (ARF). The “ASEAN + 3 (Japan, China, South Korea)” arrangement initiated in 1997 has provided an institutional venue for official collaboration. The multilateral dispute over the Spratly Islands, which overlapped the past 15 years, has served as the symbol of regional anxieties concerning China’s expansion, is now fairly well buffered against crises. A major agreement between China and ASEAN on the peaceful resolution of disputes in the South China Sea was signed in November, 2002. Most recently, China’s accession to the Treaty of Amity and Cooperation at the Ninth ASEAN Summit in October 2003 amounts to, in the words of a leading Chinese expert on Southeast Asia writing in China Daily, “joining a mutual non-aggression treaty.” At the same time, Southeast Asia’s relations with

---

5 Most structural realist forecasts about Asia in the past decade have been pessimistic. For a summary and critique, see David Kang, “Getting Asia Wrong,” International Security, vol. 27, no. 4 (Spring 2003), pp. 57-96.
6 Economic and demographic comparisons are calculated from World Bank World Development Indicators, various years.
China and Southeast Asia: Asymmetry, Leadership and Normalcy

the United States, Japan and even Taiwan have not suffered. Areas of sensitivity and tension remain in the relationship between China and Southeast Asia, but the trend has been to push these trouble spots further away from vital issues.

Had relations between China and Southeast Asia broken down in the 1990s, analytical models based on relative power would have had a much easier time explaining the outcome. And if China were interested in parading its military might in order to force Southeast Asia into compliance, perhaps it would have launched its manned space flight the week before the Bali Summit instead of the week after. The point here is not that security concerns regarding relative power did not exist or were insignificant, but rather that, contrary to structural realist expectation, they did not determine the course of the relationship. The actual outcome of Sino-ASEAN normalcy appears miraculous because of its calmness in the face of shifts in relative power.

Why normalcy is not inevitable

The interdependence theorists—at the opposite end of the international relations spectrum from the structural realists—would have no difficulty in explaining the peaceful evolution of relations between China and Southeast Asia. The basic point of interdependence theorists is that economic links create an interest in stable, cooperative political relations and they increase the opportunity cost of hostility. Beyond the basics, economic ties diversify the domestic interests within each country and make the formation of foreign policy more complex. For instance, the activities of China's border provinces, especially Yunnan and Guangxi, in developing economic ventures with Southeast Asia embed national policy in local interests. Moreover, as Taiwan's inability to control cross-strait trade demonstrates, the desires of even a strong state to avoid economic dependency can be frustrated by the evasive manoeuvres of businessmen. Lastly, even if a state makes and enforces a decision to limit trade, it bears an ongoing opportunity cost that will limit its potential for economic growth. The most prominent case in the Southeast Asian region would be Myanmar. Interdependence theorists would therefore be interested in evidence of increasing economic contact and integration between China and Southeast Asia, and would assume that political stability would follow economic interests.

China's share in ASEAN's total exports has grown from 2.2 percent in 1998 to 8.5 percent in 2001, and ASEAN's imports from China grew from 1.9 percent to 7.5 percent of its total imports. Clearly China is a significant trading partner of ASEAN, and the prospects for continuing trade growth are bright. The balance of trade varies widely from country to country and from year to year. In 2001 Thailand, Malaysia and Brunei ran large surpluses with China, while Laos, Cambodia, Myanmar and Vietnam ran large deficits. Similarly, the rates of trade growth varied widely in 2001, from Brunei's 122 percent increase to Indonesia's 10 percent decline. China has run a trade deficit with ASEAN since 1999, and this trend continued in the first half of 2003. Despite rapid growth, neither China nor ASEAN yet account for one-tenth of one another's total trade, so other partners remain essential. By the end of 2002 ASEAN had invested $58 billion in twenty thousand projects in China. China began to encourage external investment only in November 2000, and since then Chinese firms have invested in 822 projects worth $1.4 billion in Southeast Asia.

The economic pressures for peace thus appear to be inevitable and irresistible, and, instead of a miracle, the current normalcy of the relationship between China and Southeast Asia seems perfectly standard. Even asymmetry does not disturb the logic of interdependence. If ASEAN becomes more dependent on China than vice versa, then the logic of interdependence is simply stronger for ASEAN. In the seminal work on interdependence written during the Second World War, A. O. Hirschman argued that Germany's trade and investment in Central Europe had created a dependency on Germany that induced the region to comply with Hitler. Like Gulliver on Lilliput, national actors are bound by ten thousand threads of gold and must remain supine. At least in the case of China and Southeast Asia, however, interdependence creates a false complacency concerning the stability of the political framework. First, the present situation of normalcy was created by decisions that were not driven primarily by economics. It grew out of an entente between China and ASEAN against Vietnam that began in 1978 and was consolidated in the early 1980s. At that time, the coincidence of ASEAN's interest in containing Vietnam, and China's interest in punishing Vietnam drove the political relationship. Although China and ASEAN had a common enemy, they were not friends. All parties were willing to sustain a hostile stalemate over Vietnam's occupation of Cambodia until Prince Sihanouk's courageous diplomacy broke the deadlock in 1986-87. China was less willing

---

15 Xinhua, "China-ASEAN trade volume increases 45.8 percent," August 18, 2008.
than Thailand and Indonesia to reconsider its hostility towards Vietnam, but it maintained its support for Sihanouk. June 4, 1989 was a turning point for relations between China and Southeast Asia, but the relationship could well have moved in another direction. The shock of the Tiananmen massacre was felt in Southeast Asia, and for many it confirmed their impressions of the Chinese regime’s brutality. Some feared that China would become more aggressive or at least more rigid in their support for the Khmer Rouge, and therefore pressured for a stronger American presence in the region. In February 1989 President Subarto of Indonesia had announced his intention to normalize relations with China, but Tiananmen led to a reconsideration and postponement. However, every Southeast Asian government considered Tiananmen an internal matter for China and chose not to join the more vocal international critics. Frustrated by the West, and duly noting the respectful silence of Southeast Asia and South Korea, China began sustained efforts to improve its regional relations. This resulted in a normalization of relations with Indonesia in September 1990, with Singapore in October 1990, with Brunei in September 1991, with Vietnam in November 1991, and with South Korea in August 1992. China began to restructure its Indochina policy in the summer of 1990 and in 1991 consummated its move away from supporting the Khmer Rouge and toward participation in a UN-managed Cambodian solution. Foreign Minister Qian Qichen’s visit to the 24th ASEAN Foreign Ministers Meeting in July 1991 marked China’s first formal contact with ASEAN, and in July 1994 he attended the first meeting of the ASEAN Regional Forum (ARF). Had China followed its initial post-Tiananmen inclination of allying with communist states, or had Southeast Asia angled for more American support by strongly condemning China, the relationship between China and Southeast Asia could have taken a different course.

With the resolution of the Cambodian occupation ASEAN faced the challenge of reorientation, and it made the political decision to expand into a truly regional organization by including Vietnam, Laos, Cambodia and Myanmar, a move that China did not oppose. Peace and the primacy of economics in the 1990s was a policy outcome that was by no means predictable and guaranteed.

Secondly, diplomacy during and after the Asian financial crisis raised confidence levels regarding the economic relationship, and this made possible the leap in trade. China’s (non-economic) decision not to devalue the renminbi had a profound impact on regional attitudes toward China and permitted a qualitative leap in the economic relationship. Had China engaged in competitive currency devaluation in order to maintain its market share, then the subsequent surge in foreign investment in China in contrast to the decline of foreign investment in ASEAN would have been interpreted as the outcome of its aggressive policies, and ASEAN would have been strongly tempted to engage in hedging and defensive policies towards China. Instead, the implicit competition with China for foreign investment has not hindered closer cooperation. The new relationship was confirmed by the 1997 “ASEAN + 3” arrangement and in 2002 by plans for a China-ASEAN free trade area.

Thirdly, the golden threads are not wound as tightly as interdependence might suggest. Over the past decade it has become fashionable to expand the notion of security to include such dimensions as economic security and environmental security. A multi-faceted security discourse is particularly relevant to Southeast Asia because it is vulnerable, both individually and collectively, to the actions of powerful outsiders in all vital areas. But the question for economic security does not simply dictate integrationist policies. Even if economic integration promises marginally higher growth rates, nations will be cautious if they feel that their basic interests will be exposed to the whims of powerful outsiders. The difference between the perception of China as a threat and China as an opportunity lies to a great extent in China’s political credibility.

Fourthly, there is not that much gold in the China and Southeast Asia relationship. Not only are the US, Japan and Europe wealthier markets, but there is more complementarity in trade and investment between the developed world and either China or Southeast Asia than exists among themselves. Thus China and Southeast Asia are competitive in their most important economic relationships. It is quite imaginable that in the 1990s relations between China and Southeast Asia could have soured for purely economic reasons, as China pushed into Western markets. Instead, China has succeeded in convincing Southeast Asia that a China-ASEAN Free Trade
Area will buffer rather than exacerbate the competitive dimensions of their economies.

Hence, politics has mattered, does matter, and will matter, regardless of the mushrooming of economic ties. Normalcy certainly creates a momentum of common interests and expectations, but the momentum emerged from politics and remains dependent on a political context. While normalcy is not as miraculous as it might appear to structural realists, it remains a political artifact.

**Asymmetry and leadership**

Both of the analytic approaches that we have considered downplay the role of political leadership in shaping international relations. The security-seeking behavior prescribed by structural realism derives from the anarchy of sovereign relations; it cannot be significantly modified by interactive behavior in a particular relationship. Similarly, for interdependence theorists, the global market defines an economic rationality that transcends any particular situation. Leaders may be too trusting or too non-economic in their decisions, but these are missteps that cannot form a different kind of relationship, and a price will be paid for their “mistakes.”

I argue that asymmetric relations such as those between China and Southeast Asia are particularly sensitive to political interactions and are vulnerable to vicious circles of misinterpretation. The differences in capacities highlighted by structural realism do not prevent cooperation, but the creation and maintenance of an asymmetric cooperative framework—of normalcy—are major diplomatic challenges. Leadership sets the working expectations of a relationship. Diplomatic leadership in this context does not refer to the charismatic quality of the individual in charge, but rather to the ability to manage a mutually beneficial interactive relationship. The relationship of China and Southeast Asia is asymmetric and is likely to become more so, and thus the problem of managing asymmetric relations merits attention.

In a situation in which the capacities of neighboring states are asymmetric, the smaller state (S) has proportionately more to gain or lose in the relationship than the larger state (A). Given the difference in vulnerability, asymmetric states have different expectations in a relationship. For S, the acknowledgement of its autonomy by A is the basic aim, because S feels that its interests could be transgressed by A’s superior power. What A expects from S’s deference, that is, acknowledgement of the real difference in power: If S does not respect the realities of the relationship, it might cause friction by demanding an illusory equality, or it might collide with other states against A. Autonomy and deference are by no means exclusive—indeed, China and Southeast Asia have been developing just such a relationship for the past decade. But when an asymmetric relationship becomes disturbed, A’s attempts to force S’s deference can appear to threaten S’s autonomy, and S’s attempts to assert autonomy can appear to deny the reality of A’s power. A good example of this sort of pathology is the North Korean nuclear standoff with the United States in 2002.

If we take seriously the difficulties of establishing and managing asymmetric relations, then clearly diplomatic leadership plays a crucial role. If the diplomacy of A is insensitive to S’s need to have its autonomy acknowledged and A articulates its position only in terms of its own domestic audience and its own demands for deference, then S’s concerns about its autonomy will be heightened, and it will escalate its defensive measures. If S is aggressive in pursuit of equal standing with A despite real disparities, then A will be tempted to push S back into line rather than give in to its demands. Interactive behavior can ultimately make the difference between war or friendship, with numerous way-stations of alienation or cooperation in between.

Although an asymmetric relationship is interactive and therefore both sides have influence and can make mistakes, the stronger side is in the leading position. A will be attentive to what A does and says, while A will not be as attentive to S, or as quick to respond. It is particularly true in multilateral situations, such as that of China and Southeast Asia or that of the United States in the post-cold war world, that the most powerful state occupies a central position in the relationship. Of course, A’s leading position by no means implies control, and A’s greater attention does not imply that S will not misinterpret A’s statements or actions. The leading position merely means that A’s behavior will have a greater impact on S than S’s behavior will on A because A is more important to S than S is to A. To return to an earlier example, it is clear that the United States cannot command North Korea to abandon its nuclear program, but it is also clear that North Korea closely watches the United States, though it makes its own interpretation of what it observes. If less powerful partners are attentive but not submissive, then sustainable leadership on A’s part consists of reassuring S that its purposes are consonant with S’s interests. Otherwise A has to threaten sanctions that would make non-compliance more costly than compliance. Such threats alienate weaker states and confirm their fears of domination, making cooperation less likely in the future.

The situation becomes somewhat more complicated as we step from a bilateral framework of analysis to China’s relationship to Southeast Asia as a region. On the one hand, China still has an asymmetric relationship to the

---


region as a whole, and to a great extent the regional attitude toward China—even when embodied in China-ASEAN relations—is simply the aggregate of China's relations with the individual states of Southeast Asia. On the other hand, China's decision to become more active in regional multilateral organizations involved a sacrifice of potential leverage against individual states in favour of a stable regional relationship. As China's relations with ASEAN improve and increase in importance, China's potential costs of confrontation with individual members of ASEAN increase, because the affected state could obstruct the general regional relationship. By the same token, the individual Southeast Asian states feel quite rightly that China's acknowledgement of their individual autonomy is enhanced by China's involvement with their regional organization.

Fortunately for China and Southeast Asia, several factors have predisposed China to provide credible cooperative leadership, and Southeast Asia has had long experience in the skillful management of deferential diplomacy. Western (including Japanese) imperialism not only confirmed the relative mildness of China's imperial traditions, but China became a fellow victim with Southeast Asia. Three policies have been particularly helpful in creating a non-threatening diplomatic environment for China's present relations with Southeast Asia. The "Five Principles of Peaceful Coexistence" are associated with China's participation in the first Asia-Africa Conference held in Bandung, Indonesia in 1955, and they include principles of respect for sovereignty that would be basic to stable asymmetric relations. Secondly, the policies of "reform and openness" that have defined the reform era in China's domestic politics have also set it on a course parallel to those of its neighbours. Although there remain basic differences in political structure, China's policy goals and dynamics are sufficiently similar to those of Southeast Asia to allow for concrete cooperation. Finally, in the 1990s China evolved a doctrine of multipolarity that expressed a general unease with American unilaterism and emphasized the importance of cooperation in resolving international problems. Under the broad umbrella of these policies China has developed more cooperative approaches to such problems as the Spratly Islands, border disputes with Vietnam, and Mekong River development.

For its part, the classic example of Southeast Asia's skills in deferential diplomacy was Thailand's preservation of its independence in the nineteenth century through the intelligent and adroit diplomacy of Kings Mongkut and Chulalongkorn. ASEAN itself is a masterpiece of weak state cooperation. The American war in Vietnam demonstrated the vulnerability of the region to great power intrusion and was a major reason for the organization of ASEAN in 1967. As Thai Foreign Minister Thanat Khoman, one of ASEAN's principal founders, put it, "The motivation for our efforts to band together was thus to strengthen and protect ourselves against Big Power rivalry." The autonomy of the region and of each country was threatened not only by communism but also by containment, and the response was to create a consensual organization that would give the region a greater global presence.

ASEAN is a risk-avoiding organization. It was formed to minimize the threat of conflict in the region, whether caused by internal unrest, regional conflict or extra-regional pressures. The regional organization cannot itself be a threat to the autonomy of its members because its practice of consensus allows any member to block a measure that it opposes. Meanwhile, ASEAN cannot threaten extra-regional countries because it is not a military alliance. Indeed, its two principal security-related documents, the "Zone of Peace, Freedom and Neutrality (ZOPFAN) Declaration" of 1971 and the "Treaty on the Southeast Asia Nuclear Weapon-Free Zone" of 1995, are virtually the opposite of alliance treaties. Even in the case of Vietnam's occupation of Cambodia in the 1980s, ASEAN acted as an isolating entente rather than as a military counterweight. Moreover the economic policies of ASEAN aim at greater fluidity within the region but not at the formation of an exclusive trading bloc.

China and Southeast Asia have handled the challenge of creating a new asymmetric relationship with such skill as to make it seem deceptively easy. But China's sudden entry into the regional economy and its remarkable economic growth could easily have caused alienation, fear and even panic among its neighbors. Asymmetric relations are not easily managed, and novel asymmetric relations are the most difficult. China has successfully presented itself to Southeast Asia as a partner of common interests, and Southeast Asia has skillfully accommodated itself to a new relationship.

Normandy's momentum

The key to China's successful leadership in its relations with Southeast Asia has been its shift to a regional focus in the 1990s. In the 1980s China's regional politics were geared towards opposing Soviet hegemony. Although Qian Qichen played a key role in redirecting China's foreign policy toward good neighbourliness after 1989, all of the third-generation leadership played

---

30 Thanat Khoman, "ASEAN Conception and Evolution," The ASEAN Reader (Singapore: Institute of Southeast Asian Studies, 1992), p. 2.
31 The ZOPFAN agreement was the first major ASEAN agreement after the founding Bangkok Declaration of 1967, and the 1995 Treaty was the first truly regional agreement of Southeast Asia, having been signed by all ten regional prime ministers even before some of the countries had been admitted into ASEAN. Although these agreements do not have enforcement mechanisms, they express a long and strong collective concern about the involvement of Southeast Asia in large-scale conflict.
active roles in regional diplomacy. As with the progress of domestic economic reform, the dynamic of its own success became the main driving force of China’s Southeast Asian policy in the 1990s.

China became a dialogue partner with ASEAN in 1996, along with India and Russia, and since that time the relationship has blossomed. In 1997 the “ASEAN + 3 (China, Japan, South Korea)” framework of consultation and cooperation was initiated, and it was confirmed by the Joint Statement on East Asian Cooperation in November 1999. Providing advice on regional cooperation was the East Asia Vision Group (EAVG), formed of eminent intellectuals from ASEAN, China, Japan, and Korea. The Vision Group made its report to the ASEAN Summit of 2001 and recommended the goals of establishing an East Asia Free Trade Area and an East Asia Summit. The East Asia Study Group (EASG) was then formed, consisting of officials from all concerned countries, tasked with assessing the recommendations of the Vision Group and the feasibility of an East Asia Summit.

The EASG report was delivered at the Phnom Penh Summit in November 2002. It made 26 specific recommendations, including, in the medium and long term, the creation of an East Asian Free Trade Area and an East Asia Summit. The latter would evolve out of cooperative measures undertaken in the ASEAN + 3 framework. It argues that “East Asian cooperation is both inevitable and necessary, that the deeper integration of an East Asian community is beneficial and desirable, and that such integration in East Asia will evolve over time.” However, it notes “concerns that ASEAN may be marginalized if the transition towards an East Asia Summit moves too fast.”

In contrast to the broad vistas but cautious pace of the EASG initiatives, the ASEAN-China Free Trade Area (ACFTA) agreed on at the Phnom Penh Summit was quite detailed. It would create a free trade area with a population of 1.7 billion and a collective GDP of US$2 trillion, half that of Japan. Not only did the process of implementation start in 2003, but there is a special set of policies called “Early Harvest” that would aid less developed ASEAN countries in trade facilitation and would enable mutually beneficial adjustments ahead of schedule. In conjunction with the launching of ACFTA, China wrote off the existing debts of the less developed ASEAN countries.

ACFTA is scheduled to be in full effect with the larger economies in 2010, with tariffs below 5 percent. The less developed Southeast Asian countries are expected to be on board by 2015. This is basically the same timetable that ASEAN has for its internal free trade area.

The report that was the basis of the proposal is a lengthy and sober economic analysis of the effects of China’s membership in the WTO on ASEAN and the possible consequences of an ACFTA. The conclusion of its economic modeling is that ACFTA would greatly increase China-ASEAN trade, significantly increase their GDP growth, but with some displacement of trade with the rest of the world. In some respects the most interesting parts of the report are the national briefings separately prepared by economists from ASEAN’s member states. These show a full awareness of the problems of competing with China in trade and in attracting foreign investment, but ultimately they conclude that their own competitiveness will be strengthened by integration.

There were other major areas of progress in China-ASEAN relations at the Phnom Penh meetings in November 2002. A “Declaration on the Conduct of Parties in the South China Sea” was signed, committing China and ASEAN to a peaceful resolution of differences and guaranteeing freedom of navigation. According to Cambodian diplomat Chea Widhya, ACFTA and the South China Sea Declaration constituted the economic and political pillars of enhanced relations between China and Southeast Asia.

At the Ninth ASEAN summit in Bali in October 2003, China and India became the first major states outside of ASEAN to accede to the Treaty of Amity and Cooperation in Southeast Asia, one of ASEAN’s core security documents. The treaty involves not only pledges to avoid disputes and to resolve them by peaceful means, but also the renunciation of the threat or use of force. Moreover, all parties “shall not in any manner of form participate in any activity which shall constitute a threat to the political and economic stability, sovereignty, or territorial integrity of another High Contracting Party.” Thus the treaty prohibits both the bilateral use of force and also actions with third countries that might impinge the autonomy of contracting parties. Of course, these commitments are useful to China as well, since all parties recognize Taiwan to be a part of China.

52 China was a founding member of the ASEAN Regional Forum (ARF) in 1994, but at that time was a "consultative partner" of ASEAN, along with Russia.
53 In the context of ASEAN discussions, "East Asia" refers to East and Southeast Asia, with the cloudy areas of North Korea, Taiwan and East Timor, since their governments are not participants in the consultation.
55 Final Report of the East Asia Study Group, p. 5.
56 Final Report of the East Asia Study Group, p. 5.
57 Final Report of the East Asia Study Group, p. 79. It is noted that at current rates of growth the ACFTA would equal Japan in five to ten years.
58 Of course, ASEAN aims at even greater economic integration internally. See “ASEAN ministers agree on roadmap for financial integration,” Xinhua, August 7, 2003.
60 Forging Closer ASEAN-China Relations, Annex 2, pp. 150-152.
63 Treaty of Amity and Cooperation in Southeast Asia, Chapter 1, Article 3, section e.
64 Treaty of Amity, Chapter 3, Article 10.
An essential part of China's successful Southeast Asian policy has been its non-exclusiveness. One might have anticipated that China would oppose Vietnam's membership in ASEAN in the mid-1990s since Sino-Vietnamese hostility was fresh and an expanded ASEAN would create a more cohesive counter-part. Likewise, it is important that the ASEAN + 3 initiatives and the goals of an East Asia Summit and an East Asian Free Trade Area include South Korea and Japan as well as China. Moreover, none of these initiatives hamper ASEAN's relations with other countries. China's non-exclusivity confirms its acknowledgement of Southeast Asian autonomy, and it also permits Southeast Asia to buffer its exposure to China with other important relationships. Rather than these relationships functioning as a balancing influence against China, their counterweight is reassuring to Southeast Asia as it develops closer ties with China.

Southeast Asia has a complex relationship with Taiwan. On the one hand, ASEAN and all of its members recognize the People's Republic of China and officially consider Taiwan to be a province of China. Moreover, in contrast to American public opinion, much of the elite and media of Southeast Asia hold Taiwan's president Lee Teng-hui and Chen Shui-bian largely responsible for cross-Straits friction. On the other hand, Taiwan is a major trading partner, investor and donor in Southeast Asia, and informal diplomacy with Taiwan is common.46 There would be little sympathy with Taiwan in a crisis, but there would be concern about regional economic effects, and Beijing's behaviour would be examined closely for signs of incipient hegemonism. If China were involved in a bloody incident—domestic or foreign—it could rekindle concerns about Chinese communist brutality.

The momentum of normalcy in relations between China and Southeast Asia indicates an atmosphere of confidence that effective mechanisms for managing problems can be created, not that problems and tensions will disappear or even diminish. The problems are especially acute for the border countries of Myanmar, Laos and Vietnam. The vortex of the Chinese economy creates a situation of chronic trade deficits for these countries, and their locally manufactured products are displaced by Chinese goods. More generally, China has increased its share of the American and Japanese markets at the expense of Southeast Asia, and has been especially successful in attracting foreign investment. The outbreak of the SARS virus gave a new meaning to the "China threat" and led initially to defensive and isolating policies. However, by the time of the Bangkok conference on SARS at the end of April, 2003, coordination began to prevail, and as the epidemic wound down it was hailed as a new instance of regional integration between China and Southeast Asia, comparable to the Asian financial crisis.46 It can be confidently expected that vulnerability will induce sensitivity and anxiety, and that the burden of increasing economic and social contact will not move without friction. Normalcy does not promise harmony, but rather confidence in the framework of problem solving.

In sum, the normalcy of relations between China and Southeast Asia is off to a solid start because it is on a broad foundation of good bilateral relations, progress in crisis prevention in the South China Sea, and promising economic prospects within a framework of expanded regional and global ties. Economic crises, whether regional or global, are as likely to strengthen the relationship as to call it into question. Indeed, the Asian financial crisis of 1997-98 is often cited as the reason for accelerated ASEAN + 3 expansion. Thus, as long as we assume that there is not a basic reorientation of China's Southeast Asian policy, the future looks bright.

The American threat and China's challenge

The situation of normalcy in relations between China and Southeast Asia is clearly not impossible, as structural realists might think, but it was not inevitable and it should not be taken for granted. It is the product of a reform-era leadership in China that has prioritized economic cooperation and since 1989 has invested considerable effort in improving regional relations. Since the general direction of leadership has been successful both domestically and internationally, the trend is likely to continue.

The only hesitation in predicting the course of regional relations stems from the fact that a region forms just one part of the global picture. Since the American military withdrawal from Vietnam in 1973, the United States has had a limited interest and presence in Southeast Asia. Indeed, for the past thirty years several Southeast Asian countries have been concerned with attracting American interest and retaining some presence. Soviet involvement, which was confined to assisting Vietnam, declined after 1986. So Southeast Asia has had the political space to cultivate an autonomous identity. China has developed its relationship with an autonomous region and its member states, not with a segment of some global camp. Likewise, Southeast Asia has expanded its relationship with China as a neighboring Asian country, not as part of a new global bipolarity.

However, over the past ten years American attitudes towards China have shifted. A serious problem could be posed by an increasing American proclivity to see China as a rival and to consider the containment of China as a possible strategy. This attitude was well expressed by Aaron Friedberg, appointed in May 2003 to be deputy national security adviser and director of policy planning for Vice President Dick Cheney:

Over the course of the next several decades there is a good chance that the United States will find itself engaged in an open and intense

---

geopolitical rivalry with the People’s Republic of China. Such an outcome is ... at the very least plausible, and even quite likely.47

It is not within the scope of this paper to judge the accuracy of Friedberg’s prediction, but to the extent that such views inform American policy in the future, containment is a likely strategy.

The essence of containment is the assumption of a zero-sum game between American and Chinese influence. To the extent that containment begins to drive American policy in Southeast Asia, it can be expected that the United States will try to build stronger military ties with individual states and that it would be critical of initiatives that would include China in patterns of regional cooperation.

It is unlikely that a new containment policy would be generally welcome in Southeast Asia.48 During the long period of American neglect of Southeast Asia, the region was anxious to retain and encourage American interest. However, it should be remembered that the region was deeply ambivalent and divided over American containment strategy in the 1950s and 60s, and that the American attempt at that time to build a Southeast Asian NATO—SEATO—was a failure. At the present time, Southeast Asia has far more to lose in a divisive context, and it does not share the anxieties that apparently are stirring in Washington. Although the United States can make military cooperation attractive by subsidizing local militaries and providing advanced weapons, the region in general does not have the fear of domestic insurgency or of the international spread of communism that justified collaboration with the United States during the war in Vietnam.49

For ASEAN to give up on the momentum of ASEM +3—or to subtract China from it—would require more than policy nudges from Washington. As long as China is perceived to be non-threatening and inclusive, Southeast Asian states might take advantage of various specific incentives offered by the United States, but they are unlikely, either individually or collectively, to find it in their interest to depart from the major diplomatic and economic trend of the past ten years and to cut themselves off from Asia’s largest market. The pressure to make a choice between China and the United States would be unwelcome, and it would be resisted.

However, China might be tempted to react aggressively to American attempts at containment, and if so it does so it could alienate its neighbours and make them more concerned about China’s power. As the weaker side in the US-China bilateral relationship, China might exaggerate the malevolence of American actions and overestimate its effectiveness. The spectre of global conflict with the United States might overwhelm the calm pursuit of regional strategies. China’s foreign policy rhetoric might become more shrill and anti-American, and it might put its neighbours in the position of having to choose between itself and the United States. Ironically, whichever country requires Southeast Asia to choose is likely to lose the competition for influence, because the act of forcing the choice will be taken as proof of that country’s hegemonic desires.

Conclusion

Certainly all signs point to an unproblematic continuation of China’s Southeast Asia policy by the new generation of leaders. As vice president, Hu Jintao visited Malaysia and Singapore in the week before his first visit to the United States, and he commented that “the top priority for us Asian countries is to strengthen solidarity and cooperation and secure a steady and sustained development. China’s development would be impossible without Asia and Asia’s prosperity impossible without China.”50 In 1998 Hu led the Chinese observers’ delegation to Vietnam’s National Party Congress. There would seem to be little reason to change. China’s relations with Southeast Asia have blossomed, and they promise to continue developing. They are perhaps the best regional instance of what Professor Guo Xuefang of Tongji University suggests as the general guideline for China’s foreign policy:

Continue to strengthen good-neighbourliness and friendship, and achieve the understanding and support of surrounding countries for our strategy of development. Replace mistrust with mutual confidence, and use discussion to reduce misunderstanding. Use cooperation to resolve contradictions, and establish in China’s surrounding regions a circle of political friendship.51

While China’s Southeast Asian policy doesn’t depend on the goodwill of the United States, the United States is China’s overriding global concern—as, in fact, it is for every other country in the post-cold war era. If tensions with the United States increase, and the United States pursues strategies of containment in Asia, China would have the choice between continuing its regional policies or subordinating them to a new global struggle. Asymmetry

---

48 For a similar argument focused on Northeast Asia see David Kang, “Getting Asia Wrong,” esp. pp. 71-72.
51 Guo Xuefang, “Zhongguo zhanhe jiu, bi zhanhe wei jiu” (Seize strategic opportunities, avoid strategic dangers), Huaxia Shuo (Global Times), February 21, 2003.
theory would predict that China's temptation to globalize its regional policies would be strong, because of the perceived strength of its adversary. Ironically, however, the key to China's regional strength is the credibility of its image as a peaceful, cooperative and inclusive partner. Therefore even in the face of global rivalry, China's best policy would be to continue its current directions. But continuity will require renewed commitment on the part of the leadership, and an awareness of the importance of solidarity with less powerful states.

Given the current normalcy of relations between China and Southeast Asia, it is doubtful that the United States could contain Chinese influence in the region. But it is possible, if China shifted its policy and put pressure on the region to support its side in a global conflict, that China could alienate its neighbors and thereby contain itself.

University of Virginia, Charlottesville, U.S.A., November, 2003

From a Special Relationship to a Normal Partnership?
Interpreting the "Garlic Battle" in Sino-South Korean Relations

Jae Ho Chung

The pace at which South Korea's bilateralism with China has expanded during the last two decades is well beyond anyone's best guess. Two-way trade increased 2,158 times from US$19 million in 1979 to US$41.2 billion in 2002, making China South Korea's second largest export market after America. At the end of 2002, China accounted for 13 percent of South Korea's foreign trade and was South Korea's number one investment destination. More people currently travel between China and South Korea than between the US and South Korea. In recent years, South Korea-China bilateralism has also entailed security-military ties, making it more worthy of the official designation of "comprehensive cooperative partnership" agreed on in 2000 and officially announced in 2003.1

The Seoul-Beijing relationship since the late 1970s until prior to the normalization had always been special, if not extraordinary, as both China and South Korea had wished to maximize economic benefits—"trade preceding the flag"—without excessively provoking North Korea and Taiwan.2 Since the 1992 normalization, South Korea-China relations have almost always been close, cordial and mutually accommodating, virtually to the point of a "special" relationship. Whereas the North Korean factor has often troubled China, Taiwan has never been a difficult issue for South Korea.3

