

China and Asia Pacific Regionalism

JUSUF WANANDI

Two questions have to be answered before one can properly assess the significance and impact of China's participation in Asia Pacific regionalism. First is whether China's foreign policy, as laid down by Jiang Zemin's third generation of leaders, is going to be maintained by the fourth generation of leaders under Hu Jintao, who took over the leadership in November 2002. Second, and most important, is the nature of China's policies and relations with the United States. The relationship with the United States has been China's main foreign policy preoccupation since its opening in 1979, and it is considered vital to China's modernization efforts.

China's foreign policy, as it evolved under Jiang's third generation, is well established, and is considered to be balanced, centrist, and based on China's national interest. It is, therefore, likely that it will be maintained, especially as Jiang remains influential in China's primary decision-making bodies. He is still chairman of the Central Military Commission, and his allies are in the majority in the highest policymaking body, the Standing Committee of the Politburo. A substantial change of policy could only occur if there was a split in the Politburo. Some Western journalists and analysts have speculated about this possibility.

The chances of such a split appear to be remote, as the main domestic and foreign policies have been agreed on by the third and fourth generation of leaders together. Of course there are nuances between them, and new challenges could arise in the economy (a dramatic slowdown or some other crisis) or politically (some kind of social unrest due to rising unemployment, discrepancies in income between the coast and the interior, or the like). But, at present, the leadership does seem to be unified and there seems to be consensus on future policies. The fourth generation of leaders

under Hu is first and foremost a collective leadership, they have worked together under Jiang for a decade, and they know that their success or failure depends on the unity of the top leadership.

The experience of the leadership splits under Mao Zedong and Deng Xiaoping definitely weighs on their minds, and will be prevented at all cost. But human folly should never be underestimated. Greater openness, flexibility, and accountability in the political system would help prevent future havoc caused by human frailties.

Relations with the United States are most important for China for strategic, political, as well as economic reasons. Only the United States could really hamper China's modernization by constraining it militarily, politically, and economically. Although it would be counterproductive to the United States if China was perceived to be its next adversary, China would suffer more, since she is the weaker party.

China's foreign policy decision-makers have now achieved some sophistication. Earlier, they were still overburdened by history, which placed so many chips on their shoulders regarding relations with the region and the world, especially the West. Western Europe and Japan were colonizers and imperialists, and they tried to subjugate China from the mid-nineteenth century. The subsequent 150 years were particularly hurtful and humiliating for China. The psychological complexities stemming from this historical burden have made the Chinese very defensive and reactive to even the smallest things that impact their national interest.

China has now achieved dramatic economic growth rates, overcome the isolation following the tragedy of Tiananmen in 1989, become a member of the World Trade Organization (WTO), and will host the Summer Olympics in Beijing in 2008. It is now recognized in the region and the world as a great power in its own right. And so it has become much more self-confident and relaxed in its foreign relations. This has happened gradually, only in the last few years under the leadership of Jiang and the third generation. The rhetoric that used to be so shrill has now become more measured. The Chinese have become much more positive on existing rules, norms, and institutions, even those that were established when they were isolated and were not party to their formation.

Following a realistic assessment of its national interest, the changes in the world environment, and the fact that the United States has become the only superpower, China has also tried to adjust its policies and relations, especially with the United States. Its international relations have become more positive, consistent, and stable, despite problems in areas

such as the Taiwan question, arms proliferation and sales, human rights, and trade imbalances. Overall, relations with the United States have improved, and a certain stability has been achieved in the relationship, including in cooperation against global terrorism. It is encouraging that both China and the United States, especially the Bush administration that was initially so skeptical about dealing and cooperating with China, have started to understand and appreciate each other, and are willing to cooperate.

Yet complete trust and confidence in each other have not been achieved. The main problem for the United States is how to deal with ascendant China over the longer term. Indeed, for the region as a whole, securing a more stable and peaceful Asia Pacific in the face of emergent China is the primary concern. Economic regionalism and cooperation, intertwined with security cooperation in Asia Pacific, is the key regional response.

CHINA AND REGIONALISM IN EAST ASIA AND ASIA PACIFIC

Before deliberating on China's participation in region building in East Asia and Asia Pacific, it is useful to look first at China's efforts in multilateral cooperation. Although this is not easy for China due to its complex history with other countries, it seems that China is gradually becoming involved in existing international norms and institutions, especially where its national interests are clear and obvious. Its active involvement in East Asia is very important for regional stability and peace, which in turn facilitates its ability to pursue reform and modernization.

China was the historical center of the world for a long time. This ended when the Qing dynasty began crumbling in the mid-nineteenth century due to domestic uprisings and incursions from Western and Japanese imperialism. China has never really known how to have allies or be allied to other powers, except for one decade in the 1960s when it was allied with the USSR.

Since the beginning of the twentieth century, when the Qing dynasty collapsed and was replaced with a republic, China did not have a period of stability and peace in order to be able to develop and modernize. Only in 1979, when Deng introduced reforms and the push for modernization, did China gradually develop a full-fledged foreign policy.

Participation in regionalism and multilateralism in general has no precedents in Chinese history. Encroachments on its sovereignty by colonialist

and imperialist powers for over a century produced a China that wants to assert itself with absolute state sovereignty, as did European countries after signing the Peace of Westphalia in 1648.

The extent of China's willingness to participate in international institutions and abide by multilateral rules in such a short time is noteworthy. On a global level, China is a member of both the United Nations and the World Trade Organization (WTO). At the regional level, China is active in the Pacific Economic Cooperation Council (PECC) and the Asia-Pacific Economic Cooperation (APEC) initiative. It also participates in the ASEAN (Association of Southeast Asian Nations) Regional Forum (ARF) and the Council for Security Cooperation in Asia Pacific (CSCAP).

Why has China been willing to participate in these forums? Its participation in the UN system is confined to furthering specific national interests, not to promoting big ideas or concepts internationally—although it does appear to be interested in disarmament and arms control issues. Its original involvement in the UN system was primarily to displace Taiwan in the international institution.

China has participated fully in arms control and disarmament efforts, and has endorsed both the Comprehensive Test Ban Treaty (CTBT) and the Nonproliferation Treaty (NPT). It has invested in international security institutions in order to develop expertise in its various national institutions dealing with security. It has also been willing to pay some costs for acceding to existing norms, for example, in the cases of the CTBT and the NPT. China negotiated for more than 13 years to accede to the WTO, membership of which was regarded as very important for its domestic reform and modernization drive. While giving China domestic benefits, its participation in all these international forums and norms also strengthens the international system.

Even on the sacred principle of absolute sovereignty, China is proving to be somewhat flexible. Examples here include UN intervention in Cambodia in 1993, and in East Timor in 1999. In other situations, China has started to accept multilateral principles, such as in developing a regional code of conduct with ASEAN on the South China Sea. Regarding the Korean peninsula, China is cooperating with the Japan, Russia, South Korea, and the United States to find a diplomatic and peaceful resolution to the threat of the proliferation of nuclear weapons. However, these situations are special, because of their proximity to China, and the possibility of them becoming security problems or sources of instability for China.

On the question of global terrorism, China has been a full participant, given its own problems on this issue in its northwestern province of Xinjiang. China supported UN Security Council Resolution 1441 that suggested consequences would result if Iraq failed to disclose fully its weapons of mass destruction.

China also has a “mutual security” agreement on the threat of global terrorism with Russia and other central Asian states under the so-called Shanghai Security Cooperation arrangement. In addition, China has initiated some other common security efforts with neighbors such as Russia and some central Asian countries.

In the early 1990s, when there was great uncertainty about how the post-cold war international system would develop, China seems to have accepted multilateralism as the strategy that accorded with its national interest. Contrarily, the United States and western Europe became more inward-looking and preoccupied with domestic change and other problems closer to home.

The United States is now the only superpower, but it nonetheless needs friends and allies to help implement its strategies. This is especially so after September 11, 2001, when global terrorism and its state supporters showed themselves to be the main threat to international peace and stability. A limited version of multilateralism is still valid, although not based on absolute multipolarity, as China had thought earlier. The new multilateralism looks likely to be based on a concert of big powers acting under the leadership of the United States.

The United States seems to expect that cooperation with powers—such as China, the European Union, India, Japan, and Russia—acting under U.S. leadership could be the basis for a new world order. The United States would of course be more than a *primus inter pares*, especially on critical issues. Whether this idealistic new U.S. system would work is questionable. It would depend partly on how much the United States is willing to involve other great powers in decision-making processes, as well as which institutions would be used, and how other countries could participate.

After the war in Iraq, the situation between China and the United States might be more fluid due to China’s opposition to the use of force against Iraq. China has, however, been very subdued in its reactions, and has not been very public in opposing the United States, even since the start of the war.

In the aftermath of the war and as reconstruction in Iraq proceeds, if the United States again acts so unilaterally, or becomes heavy handed—in

the case, for example, of nuclear proliferation on the Korean peninsula—China-U.S. relations would suffer.

It must be hoped that the United States learned the right lessons from the Iraq war. Namely that, even as the only superpower, it cannot do everything alone. Particularly in dealing with global terrorism, the United States needs the assistance and cooperation of friends and allies.

China in East Asia and Asia Pacific

China has always loomed large in the history of East Asia, except in the nineteenth century and the first half of the twentieth century.

Since Deng successfully laid the basis for China's modernization, its economy has grown 7 percent–8 percent annually for the last 30 years, and China has become a big economic power in its own right in the East Asian region. This is also true politically and, to some extent, militarily. China is again seen as a main challenge to the region. The challenge this time does not stem from it being a revolutionary and anti-status quo power, as from the 1950s to the 1970s. The challenge now is how to deal with China as a big power, with the long-term potential to become a superpower.

The region has the opportunity in the next decade or two to incorporate and constructively engage China, and to support its efforts to become a status quo power. The main strategy of the region is to involve China in as many regional economic and security institutions as possible. There is an overlap between Asia Pacific and East Asia, the two regions that are referred to, with the latter being part of the wider former region.

There are also two types of organizations active in the region: “first track” and “second track.” First track includes government or state entities, while second track refers to organizations in which government officials participate in their private capacities. First-track entities cooperate with second-track regional organizations to test new ideas or help work out new programs. PECC, which China joined in the mid-1980s, is a second-track or nongovernmental APEC. Some second-track activities are formed through ad-hoc arrangements with academics and business groups, such as ABAC, the APEC Business Advisory Council.

It is in China's national interest to participate in these institutions. And China has been willing to allow Taiwan to participate, as an economic entity, in these forums. Hong Kong joined PECC in the same way. Similarly, Hong Kong and Taiwan are both members of APEC. When U.S. Presi-

dent Bill Clinton proposed a summit of APEC leaders in Seattle in 1993, complications arose over the question of whom to invite from Taiwan. In the end, the U.S. president appointed someone proposed by Taiwan who was acceptable to both China and Taiwan. Overall, a practical limitation for Taiwan is that no PECC or APEC meeting will be held in Taiwan, due to Chinese fears that the Taiwanese government might use such meetings for political purposes.

China is active in both PECC and APEC. It has hosted meetings for each forum in various parts of China, and Taiwanese representatives have attended these. It hosted a very successful PECC general meeting in the early 1990s in Beijing, and the APEC Leaders' Summit in Shanghai in 2001. China has also contributed substantively, especially on issues regarding technical cooperation, and small and medium-sized enterprises. Chinese academics and members of the private sector have participated in PECC and APEC activities. China's national PECC has actively cultivated local participation in its activities and that of the international PECC. The Chinese government has established good inter-agency coordination between its representatives to APEC and PECC.

Regional cooperation on security matters is a different story. As noted, other than an alliance with the USSR that lasted from 1960 to 1970, China has never had alliances with other countries. During Mao's leadership, China was isolated and very defensive of its interests in the face of U.S. containment. Only in 1979, after Deng introduced reforms and started to open China, did China begin to develop an appreciation for multilateralism. Initially, China was very suspicious of regional security cooperation, because such cooperation had existed prior to its participation and it was worried that its special concerns would be ignored.

Toward the end of the cold war, China cooperated in a limited fashion with the United States against the Soviet Union. Then the Tiananmen tragedy of 1989 led to a policy in the West, especially in the United States, of isolating China. This forced China to look for friends elsewhere to overcome its isolation from the West.

During that period in the early 1990s, ASEAN was actively looking for new regional strategies in East Asia, not to replace the U.S. role in the region, but to complement its presence with new ideas about comprehensive and cooperative strategies. Although ASEAN no longer had an obvious adversary, confidence building and security cooperation were regarded as important, especially if there were to be a vacuum in leadership from the United States.

Another factor was how to cope with the new big power rising in East Asia, namely China. Containment would be counterproductive, because China was changing. Besides, it did not have the ambition to become an antithesis to the West in all activities, as did the USSR during the cold war. Confrontation between China and the United States would nevertheless have dramatic negative effects on the region, economically as well as in terms of peace and stability. This led ASEAN to propose establishing the ARF in 1994, and CSCAP, ARF's second-track counterpart, in 1993.

Due to divisions stemming from the cold war, ARF was meant primarily for confidence-building measures. China agreed to become involved as participation in forums like this coincided with its new strategy of multipolarity based on multilateralism. China's participation was made easy too by the consensus-based "ASEAN way" of decision-making, where every participant has to feel comfortable with any decision.

The Taiwan issue is not included in the agendas of the ARF or CSCAP. However, China's preoccupation with absolute sovereignty has hindered the ARF's development of preventive diplomacy and conflict resolution mechanisms to address issues such as nuclear proliferation on the Korean peninsula. It is unclear whether China is ready for—and, indeed, would like to see—the ARF develop from a "talking shop" into an institution that "does something" about regional tensions and conflicts.

In terms of confidence-building measures, China has performed very well. It has participated in exchanges of military officers and students at military universities and academies, attended joint military exercises, and involved itself in search-and-rescue and peacekeeping efforts. China has also issued defense white papers, which have helped to enhance transparency.

Nontraditional security issues—such as money laundering and terrorism, drug and human trafficking, piracy, environmental and health matters—lend themselves to greater regional cooperation. It is likely that China would be willing to enhance ARF cooperation on such matters, especially responding to global terrorism. Successful cooperation on such issues could open the way for China's future involvement in preventive diplomacy efforts. However, given its sensitivities about matters involving national sovereignty, it will be some time before China is completely on board in transforming the ARF into a more "intrusive" instrument for solving potential conflicts in the region.

Studies and deliberations form the backbone of CSCAP activities, and scholars from China and Taiwan participate in its working groups. Chinese

participants have also been very active in exchanges on security developments in the region, and have willingly helped with confidence-building mechanisms, such as developing a code of conduct for the South China Sea with ASEAN. Regarding the Korean peninsula, China is taking the initiative to put diplomatic pressure on North Korea, together with Japan, Russia, South Korea, and the United States in the so-called six-party talks, to give up its existing nuclear capacities and refrain from producing further nuclear weapons.

The regional institution with the greatest potential for deeper Chinese involvement and cooperation is the ASEAN + 3 mechanism, which includes the ten ASEAN member countries and China, Japan, and South Korea. There are several reasons why ASEAN + 3 could evolve—with significant Chinese participation—into an East Asian Community over the longer term. First, it is a more or less institutionalized process involving ASEAN, China, Japan, and South Korea. From the moment ASEAN + 3 was established, it has been a channel in which China has been able to express its interests and priorities. Second, its affairs are conducted in the “ASEAN way,” which is informal, consensual, personal, and step by step. This is a style with which China feels quite comfortable. Third, there is a need for East Asia to have a global voice, alongside the voices of the European Union and the United States. China would benefit too from being able to express itself forcefully through the medium of a regional institution.

Establishing a good-neighborly policy in the region and its implications of a peaceful environment would also help China pursue its modernization programs. In addition, solid regional relations would be a sort of insurance policy in case of a severe rupture in China’s relations with the United States, an admittedly remote possibility at this stage.

East Asian regionalism also received momentum from the Asian financial crisis in 1997, when East Asian countries found out how important it was to be able to depend on each other—and not on others from outside the region—in a crisis.

Yet there still are real constraints to establishing an East Asian Community. For historical reasons, China and Japan are not completely trustful of each other. There is also underlying competition for regional leadership, which is similar to the situation in Europe between France and Germany. The key is having the political willingness to cooperate in the economic field, which is important, and also in the political and security fields, as well as in the areas of culture, education, the environment, and health.

ASEAN would also benefit from such regional cooperation, with its strong desire for peace, stability, and development in the region. ASEAN countries would be especially keen to benefit from China's economic dynamism, and they would hope to cooperate with China to attract foreign investment and technology. This is why the ASEAN-China free trade area (FTA), which China proposed two years ago, also has such appeal for ASEAN member countries.

East Asian regionalism could assist China in finding its own way of becoming a great power without creating regional apprehensions and tensions. A China grounded in East Asia would also assist China in its relations with the United States. It would suggest that China was a more status quo-oriented power, and that China supported the United States remaining involved in the region to help maintain peace and stability. By being involved in an East Asian regional institution with ASEAN, Japan, and South Korea—all considered allies or friends of the United States—China would show the United States that it was a responsible and peaceful partner.

Involvement in ASEAN + 3 (or any other East Asian regional mechanism) would also help Japan become a more "normal" country, and help alleviate the region's apprehensions about Japan due to its history.

East Asian cooperation would give South Korea the opportunity to feel fully part of the region, and not feel left alone between China and Japan in Northeast Asia.

CONCLUSION

Starting with economic institutions such as PECC and later APEC, China has actively participated in and contributed to regional institutions for the last 15 years or so. Since economic cooperation is so important for China's modernization programs, it could be said that it was easy for China to participate in these particular institutions. Participating in regional economic institutions first also helped China prepare itself for involvement in and negotiations with global institutions, such as the WTO.

Now that China is a much bigger and more successful economy, it will surely be expected to do more for the region and its institutions. This is especially true in the wake of the financial crisis of 1997. China was relatively unaffected and in fact experienced phenomenal economic growth, while the rest of the region was greatly stressed. China is aware of these expectations and even pressures. Hence its proposal for an ASEAN-China

Comprehensive Economic Cooperation agreement, including the establishment of an ASEAN-China FTA within the next decade. China has also agreed to an “early harvest” of opening up certain agricultural product sectors to ASEAN countries, particularly to new members, without having completely agreed yet on the full FTA.

ASEAN has responded positively to these developments, because it realizes that China is leaving it behind and out-competing it in many areas. This is true not only in labor-intensive manufacturing, but also in more advanced technological fields, where even Hong Kong, Malaysia, Singapore, South Korea, and Taiwan feel the increased competition. Every East Asian nation faces strong competition from China and is trying to find economic activities it can develop.

All these factors will make the ASEAN + 3 process much more important than previously thought. This new regional institution will have to help manage the strong competition between ASEAN, China, and the other East Asian countries, while also giving East Asia a voice in global forums.

ASEAN + 3 is also the regional institution with which China is most comfortable. This is so because ASEAN + 3 is indigenous to East Asia, it operates in the consensual and nonconfrontational “ASEAN way,” and it is less legalistic and formalistic in its approach.

In future, ASEAN + 3 may become even more important as, aside from economic cooperation, it might also have to address political, social, and cultural issues.

Although cooperation in the political-security field will be pursued step by step and as a long-term effort, every member, including China, knows it will have to be considered. Improved relations between the United States and China should also help improve relations between China and Japan, the normalization of which is incomplete though desirable if regional security cooperation is to proceed.

If China could be more forthcoming in ASEAN + 3 on political and security cooperation, this could lead to greater willingness to participate in political and security cooperation in the wider region, such as in the ARF and CSCAP.

China has cooperated in regional security on specific issues in the past. These include helping resolve the Cambodia conflict, supporting and participating in peacekeeping efforts in East Timor, and trying to help further nuclear nonproliferation on the Korean peninsula. China has also initiated an antiterrorism effort in Central Asia through the so-called Shanghai Security Cooperation agreement with Russia and four other

central Asian countries. At the second-track level, China participated in the first and second Shangri-La conference of defense ministers in Asia Pacific, initiated by the London-based International Institute for Strategic Studies.

All these developments suggest that China is going to be increasingly involved in East Asia and Asia Pacific regional initiatives. This will be manifest not only in the economic field, but also in the political and security fields. It is quite possible that the ASEAN + 3 process, which could in the future evolve into an East Asian Community, could also play a greater role in regional political and security cooperation. This would need to develop gradually and it would need to be welcomed by China. The region is feeling its way as it deepens relations with China in the economics and political-security realms.