

## CHINA'S RELATIONS WITH ASIA: PAST, PRESENT AND FUTURE

**P**enary Session One was co-chaired by **Tan Sri Hasmy Agam**, Distinguished Fellow, Institute of Strategic and International Studies (ISIS) Malaysia and Chairman, Human Rights Commission, Malaysia, and **Dr Kim Dalchong**, President, The Seoul Forum for International Affairs, and Professor Emeritus, Yonsei University, Republic of Korea. The presenters were **Prof Dr Ma Ying**, Director, Centre for Asia Pacific Studies, Shanghai Institute of International Studies (SIIS), China, **Mr Jusuf Wanandi**, Senior Fellow, Centre for Strategic and International Studies (CSIS) and Vice-Chair, Board of Trustees, CSIS Foundation, Indonesia, and **Associate Prof Dr Michael J. Green**, Edmund A Walsh School of Foreign Service, Georgetown University, Senior Advisor and Japan Chair, Centre for Strategic and International Studies (CSIS), USA. **Dr Jorah Ramlan**, Senior Analyst at ISIS Malaysia, reports.



From left: Michael J Green, Ma Ying, Hasmy Agam, Kim Dalchoong and Jusuf Wanandi

**Prof Dr Ma Ying's** traced China's developments from the founding of the People's Republic of China (PRC) in 1949 to the late 1970s and from late 1970s to the present. She ended with prospects of China-Asia relations.

China's initial priority was to establish diplomatic relations with various countries, especially its Asian neighbours. This it carried out through various initiatives. China advocated the Five Principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each others' internal affairs, equality and mutual benefit, and peaceful co-existence.

China also realised that its development was dependent on establishing stable relations with its Asian neighbours, hence it advocated the principle of 'seeking common ground while reserving differences.' On border issues, China's approach was to advocate peaceful negotiations through agreements and treaties with some of its neighbours.

China's international relations policy changed with time. From the late 1970s to the early 1990s, China's primary aim was to improve and develop relations with Asian countries, through country-to-country relations, party-to-party relations, external economic relations, and

the peaceful settlement of disputes. The security situation had changed significantly in the region and the rest of the world at this time, with greater security cooperation among the major nations.

In the 21st century, China has emphasised common development with Asian countries, and the further expanding of strategic partnerships. This policy has become a component of China's general diplomatic strategy of peaceful development, encompassing settling of disputes by peaceful negotiations, creating new cooperation mechanisms, enhancing strategic mutual trust, and promoting common development.

China's aim is to be instrumental in creating harmony in the region since it believes that a 'harmonious Asia' will lead to a 'harmonious world'. Through enhancing dialogue and understanding with Asian countries, China hopes to be accepted as a participant of Asia's development and not be seen as a threat to it. In conclusion, Dr Ma said that China believes that only on these bases will a 'harmonious Asia' be achieved.

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**Mr Jusuf Wanandi** began with a brief historical perspective of China, and continued with highlights on Asean-China relations, and US-China relations. He touched briefly on China's relations with Japan, India, Russia, and Central Asia, and on challenges facing the nation. He ended with some recommendations.

China's strategic partnership with Asean has created cooperation in many fields. From an economic perspective, there have been concerns in recent years over trade imbalances: Asean exports to China have not increased as much as China's exports to Asean. And as China has the upper part of the Mekong river, which is critically important to many Asean countries along the banks, Asean is expecting China to cooperate more closely on the joint development of the Greater Mekong Delta.

From the security perspective, it is important for Asean and China to be able to formulate an agreement on a code of conduct over the South China Sea issue, which if not handled cooperatively, may hamper future security and become a source of tension and distrust.

Japan-China relations are expected to improve further under the current Japanese government. As for relations between China and India, mutual efforts have resulted in improved relations though there are unresolved problems concerning boundaries, Tibet, and Indian support for the Dalai Lama. China's extended border with Russia will always have a bearing on the trust and relations between the two countries.

The Central Asian countries are important to China as sources of energy and natural resources, and the search for these can be another reason for competition or cooperation between these countries in the future. It is a geographic fact that the presence of Chinese migrants in the sparsely-populated eastern part of Central Asia and along the border, while important for trade, is increasing security and social concerns.

The relationship between China and the US has changed mainly due to the rise of China's economic power. The internal and external issues that the US has to face and to overcome have provided greater economic opportunities for China. While China acknowledges that the US

military presence in the region has ensured sustained peace and stability, it is questionable whether China will continue to acknowledge US primacy in the region in view of China's rising military and economic strength.

China faces many challenges. These include increasing discrepancies in incomes, in particular between the coastal and inner regions, between rural and urban areas, and between manufacturing and agricultural sectors. There are environmental issues relating to water shortages and air pollution, political issues facing Chinese leadership, besides increasing demands for civil liberties and government transparency. There is also negative perception of China's increasing defence budget that is causing apprehension among its neighbours.

Mr Wanandi proposed two recommendations to alleviate the problem of China's credibility. Firstly, China should be more transparent about its domestic political policy, as well as the changes it is making in its defence policy. Secondly, China should become a trusted member as well as leader of regional institutions which are important platforms for it to convey its policies to other members in East Asia and the Asia Pacific. The US should also be invited to the East Asian Summit so that it can have more dialogue and exchanges with the Chinese in a regional environment, to complement bilateral relations.

Mr Wanandi predicted that while China's remarkable development and growth could continue for another 15 to 20 years, it should not be over-confident or hubristic. The challenges it faces are multiple, and indeed huge. One can expect that China will be more likely to exercise a veto in future when it comes to its 'core interests,' as its history suggests. In conclusion, he said it is important for Asean to have a balanced bilateral relationship with China for the development of regional cooperation.

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**Prof Michael J Green** emphasised the value of studying historical precedents as a guide to understanding the present and forecasting the future. Specifically, he considered the lessons of China's own tributary relationship with Asia before the 16th century arrival of the Europeans and the decline of the Qing Dynasty; the rise of American power in the 19th century; the more tragic consequences of the rise of Japanese and German power shortly after that; and finally the Cold War.

An examination of the Central Kingdom's relations with Asia in the distant past will offer one possible interpretation of China's future relations with Asia. It has been argued that China's power under earlier dynasties reinforced stability because it was always based on mutually beneficial trade (described as the peaceful development precedent) and not on European-style conquest and colonisation. This historical precedent, however, may not be an accurate indicator of China's future relations with Asia.

One reason for this is that the modern, globalised economy bears little resemblance to the trade that China's former dynasties engaged in. While intra-regional trade in East Asia is over half of all trade in the region compared with less than 50 per cent for Nafta countries, the reality is that the vast majority of trade in Asia is still intermediate trade, passing through a massive Chinese assembly floor, to markets in North America and Europe.

A second problem with the tributary or peaceful rise historical model is that it existed before the development of the modern nation state. Nationalism in all its forms in neighbouring states has led to a backlash against rising Chinese power, even as trade dependence on China has grown. Public opinion polls in Japan, Korea, Australia and India have exposed a correlation between a growing trade with China and an increase in the identification of China with threat. Five hundred years ago, it may have been possible for princes in subservient neighbouring states to enrich themselves through trade, but in the modern state era, that is no longer possible.

Finally, surveys have demonstrated that in East Asia, the attraction of China's cultural, political, and social values rank below those of the US and Japan. In short, the much vaunted 'Beijing Consensus' around the authoritarian development may resonate in countries like Cambodia, but it is hardly the ideational glue necessary for a Sino-centric system that would subsume democratic Japan, Korea, Indonesia or India.

G-2 (Group of Two) or other forms of bipolar condominium between the US and China seem highly unlikely in the foreseeable future. It is difficult to see the US making concessions to China in Asia, given continued uncertainties about Chinese intentions -- uncertainties caused in large measure by the nature of the political system in Beijing.

In the Japan-Germany revisionist power precedent, the two nations challenged US and British power. China has carefully avoided being cast as a revisionist power, with Hu Jintao remaining a solid Dengist. However, the clamouring for more assertive foreign and economic policies by netizens, PLA officers and rent-seekers within the Chinese economy is putting enormous pressure on the current leadership. Much will depend on China's economic development and the stability of the global economy.

Chinese officials and scholars warn that American strategies, focusing on values and the balance of power, risk starting a 'new Cold War' in Asia. While many of China's neighbours have been hedging against a more assertive stance by Beijing through closer collaboration with the US, none of them – including Taiwan – have any stomach for a zero sum competition, given trade dependency. Finally, the US would be hard-pressed to implement a 'containment' strategy given economic interdependence.

Green concluded that no model of China's past interactions with the world serves as a predictor for the future. However, elements of each model are evident in the dynamics of China's relations with Asia and the US today.

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