

China's engagement with Regionalization in South and Southeast Asia: A comparative perspective

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Abstract

China's involvement in Asian regionalization is a main axis of its foreign policy and a part of China's multilateral strategy which aims at increasing its regional role in Asia and multilateralism in global arena. The engagement with the regional institutions such as SAARC and ASEAN on the one hand facilitate China's role as an effective player in the peripheral politics and on the other hand, maximizes PRC's strategic interest for further regional integration. The article seeks to analyze the main elements of China's engagement with two Asian regional organizations, (SAARC and ASEAN). The comparative analysis over China's behavioral policies towards SAARC and ASEAN leads to the estimation that China has the potential for leadership in Southeast Asia while in South Asia its "voice" is still inaudible. The article argues that China's engagement with SAARC compared to ASEAN is limited due to the games of balance of power in the region of South Asia deriving from the internal contradictions among the members (India-Pak relations), the low level of regionalization in South Asia as well as due to the increased role of other great and regional powers in the region of South Asia such as USA and India.

Key Words: China, peripheral policy, involvement, regionalisation of governance, ASEAN, SAARC

Introduction

China's involvement in Asian regional organizations and its neighboring policy lies on the theory of multilateralism and it demonstrates China's increasing interests for regional leadership. In parallel, a further analysis on China-SAARC and China-ASEAN relations highlights that China's role in the region of South and Southeast Asia is rising. More specifically, China has different approaches towards the two regional organizations. For example, China's SAARC policy, in comparison with the successful story of China's ASEAN policy, is based on three main factors. Firstly, the nature of SAARC and the comparatively early stage of regional integration within the organization, secondly, the involvement of great and regional powers such as US and India as two important actors in

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the region of South Asia and last but not least, the internal contradictions of SAARC member states which makes SAARC weakened. However, regarding China's ASEAN policy, the "ASEAN way" and the implication of norms contribute successfully to the management of crises among the members. In short, the familiarity with the "ASEAN way" and the East Asian norms give to China a leading and influential role in Southeast Asian regionalization process while in South Asia, China has an active but still limited role.

So, the paper is dealing with China's engagement with two Asian regional organizations (SAARC and ASEAN) in order to explore China's role in Asian Regionalisation process and in general its peripheral role. The question of the paper is whether China's approach is differed towards the two Asian Regional organisations and in general which is the role of China in Asian Regionalisation process. So, at first level, the paper analyses China's peripheral policy and the issue of China's leadership in Asia on the basis of theories of regionalism and regionalisation of governance. In second level, the paper observes the nature of ASEAN and SAARC and the relations of these two regional organisations with China under a comparative perspective. Finally, in third level, the results of this comparative analysis will demonstrate the main differences on China's approach to SAARC and to ASEAN as well as the reasons why China-ASEAN relationship is more successful story than China-SAARC relationship.

Main Points on China's Peripheral Policy

In particular, by specifying China's involvement in Asia, Chinese foreign policy views China as one of the poles in a multi-polar world order. However, this means that even though China supports a multi-polar world order, it nonetheless envisages its potential place in that multi-polar order as being at a relatively advanced position with increased voice, while it can be estimated that China is a status quo power and its moment in history is yet to arrive. Nowadays, the role of China in international affairs is open to change, according to its changing internal and external environment as the relationship between China and the international order is in a process of continuous interaction.

Regarding the region of Southeast Asia, China has played an important role in the process of regionalization in the region. More specifically, the development of China-ASEAN relations is a case that demonstrates how China deals with multilateral regionalism in Asia. The China-ASEAN relationship has been improved since both started to engage with each other years ago. Many scholars suggest that China-ASEAN is China's most successful story in practicing multilateralism, since China has expanded its influence in the region by engaging with ASEAN (Gung, 2008, p.5). In this sense, the increasing acceptance of China's role in the region has much to do with Beijing's decision to work within ASEAN-led processes within the evolving multilateral framework in East Asia and it makes a significant contribution to the prospects for stability in Asia (Acharya, 2008, p.6).

Regarding South Asia, China's involvement in South Asian regionalization process has been one of its more limited successful attempts at peripheral diplomacy. One of the main reasons is China's "sensitive" relations with India. It is true that China and India are also competitors for regional power in South Asia. India was one of the original supporters

for the 'Five Principles of Peaceful Coexistence'; it upholds consensus-based multilateralism; as a post-colonial state with key territorial and security challenges it is a strong supporter of sovereign norms and non-intervention in other states' affairs as well as the rule of international law. Although, in this competition on the one hand, China is better positioned-both in current developmental terms and geographical position –and on the other hand, India's own modernization process and the expansion of its ties with Southeast Asian, Central Asian and Northeast Asian states may act as a check on China's influence in regional institutions. However, China during the last decades supports regional processes within a multilateral framework in South Asia and it contributes to the stability of the region by avoiding the competition games with regional and global powers such as India and USA.

Concerning the issue of China's leadership in regional level, it is obvious that China's potential for regional dominance is growing. However, the Chinese sphere of influence would be resisted by the US, Japan and India among others. From historical perspective in the region of East Asia, the old tributary system of ancient times did not have to contend with such a regional multi-polarity but with a neo-Confucian Chinese regional order which would also be inconsistent with China's professed adherence to the modern principles of sovereign equality and non-intervention in international relations. Just as a Chinese "Monroe Doctrine" in a multi-polar Asia, Confucian ideas of hierarchy and governance, matters of debate within China itself and are unlikely to find many believers and followers in a multicultural Asia. Many scholars such as Acharya pointed out that China could possibly lead but its leadership role is less likely to be resisted if exercised through functional and institutional mechanisms than with a neo-Confucian conception of regional order or through an exclusionary sphere of influence (Acharya, 2008, p.20, 2). The fact that China's leaders regard the promotion of economic growth and stability as directly linked to growth and stability in the region means that China's attachment to regional institutions has acquired depth and continuity. In effect, institutionalizing its regional engagements remains a priority of China's contemporary thinking as a strategy towards global issues (Qi Huaigao, 2009, p.130).

However, in each of its surroundings regions, China faces other states or groupings of states opposed to Chinese domination. In particular, Russia and Japan act as restraining forces on China's influence in Northeast Asia; in Southeast Asia, Japan and India are both seen as states that balance the influence of China through ASEAN+ dialogues; while in Central Asia, Russia is still the dominant actor, despite China's support for SCO. In this sense, while China supports the regional and international order, it does not necessarily see its position as fixed in the hierarchy of nation-states. So, it is worthy to see how far China's power and influence can be used within its current norm structure. A related point is that, while China's current exertion of leadership doesn't seem to be hegemonic; it nonetheless bears certain hegemonic characteristics. However, any further development of those characteristics will require China to over-come resistance from its regional partners as well as from external powers with interests in Asia. Indeed, China may need the goodwill of its regional neighbors more than the current discourse would otherwise indicate-if the middle kingdom is to rise again (Thomas, 2008, p.140).

SAARC and ASEAN: Regionalisation under a Comparative Perspective

However, it is obvious that Southeast Asia and South Asia involve important economic interests where China plays a guiding role. In this standpoint in order to examine further China's peripheral policy, potential for leadership and involvement in Asia, we should make an overview of the nature of the two Asian regional organizations SAARC and ASEAN and China's interaction with those institutions.

In particular, regionalism in South Asia is celebrated through the South Asian Association for Regional Cooperation (SAARC). The purpose of the regional dialogue was to discuss common problems and evolve remedial measures to which all parties can contribute and reap comparable benefits (Dhaliwal, 2009, p.27-42). The first phase of SAARC was the preparatory phase, based on a gradual and step by step approach to initiating regional cooperation, mostly in non-controversial and peripheral areas such as Confidence-Building Measures. In the second phase of its evolution SAARC moved into the expansionary phase, when regional cooperation was expanded both in the social and the core economic sectors. SAARC embodies a common framework of development goals for member nations and implementation of common policies directed at poverty alleviation, improvement of quality of life and social justice.

However, from the history of South Asia we can observe that the countries of South Asia had no experience of working together for common regional purposes. The sense of nationalism is still very strong which critics said was not very conducive to regional approach to solve the problem. Most of SAARC countries had remarked their relations by suspicion, misunderstanding and even conflict. As a result, cooperation has been shrinking in recent years for political reasons. In addition, the involvement of the global powers in South Asia and in intra-regional relations in South Asia has limited options at regional and international levels (Dhaliwal, 2009, p.68).

Eventually, SAARC following the ASEAN model invited observers. During the Summit held in Delhi in April 2007, a number of countries joined SAARC as observers such as China, US, EU, Japan, South Korea, and Iran. China has fast growing economic and strategic relations with a number of SAARC members. Now, US, EU, Japan and South Korea will also seek and augment economic and strategic space in the region through SAARC mechanism. This will accelerate competition in the region resulting in greater economic activity and cooperative dynamism (Muni, 2010, p.27-42).

For South East Asia, historically, things began to change by the middle of 1960s with the cataclysmic events in Indonesia in October 1965 which brought about the downfall of President Sukarno and the emergence of the military regime under General Suharto, and with it the end of Indonesia-China axis. This also signaled the beginning of an extreme polarization of political forces in Southeast Asia. The outcome was the creation of ASEAN (Association of Southeast Asian Nations) on August 8 1967 by Thailand, Malaysia, Singapore, Indonesia and the Philippines. This was the beginning of the new era of economic development and progress for the area. The birth and growth of ASEAN corresponded with the halting disengagements that characterized American attempts to seek a gradual and face-saving withdrawal from the region's northern tier. Regarding ASEAN,

historically its members displayed a considerable degree of harmony because ASEAN members during the Cold War had a common international outlook which puts them firmly on the side of the US in world alignment. However, SAARC members, being closer to both the Soviet Union and China, the political differences are sharper and the pulls and the pressures of extra-regional powers are more acute. As we can observe despite the different historical background, the two regional organizations (SAARC and ASEAN) share a common purpose for multilateralism and stability in the region.

Regarding the main differences, from security point of view, SAARC is structurally unstable comparatively with ASEAN. SAARC nations are geographically disproportionate and India dominates a central position in the organization in terms of its geographical location, its size and its economy. In the case of ASEAN all the states have almost similar size as well as in ASEAN threat perceptions are external whereas SAARC members' threat perceptions are internal. On political side, the main obstacle to greater trade integration in South Asia has been the tension between India and Pakistan and the fear of Indian trade domination by its small neighbors. However, SAARC has provided a forum for bilateral discussions on the sidelines especially when there has been an absence of formal interaction between the Heads of States. (Pande, 2007, p. 297, 8)

From the aspect of the degree of regionalization's process, it is true that Southeast Asia has a much longer history of experiments with regional cooperation than South Asia. In particular, despite the fact that the regional entity of SAARC with its "go-slow" approach could not make much headway rather the functional mechanism at the very top-level remains stalemated, and overall mechanisms suffer from lack of vision operationally even while a new sub-regional growth entity was being launched. In recent times, the SAARC disappointed many in the region, especially in terms of tangible outcomes that could substantively affect the lives of ordinary citizens of the member countries. Indeed, South Asian experience is more recent, mostly intra-regional and almost entirely non-political and unrelated to politico-military issues.

However, Southeast Asia has also experience of a greater variety experiments, from largely intra-regional to largely extra-regional, from purely politico-military to largely economic. In short, sub-regionalism in South Asia is more recent phenomenon that has been on the media and the conference table in the official launching of a sub-regional entity; but South-East Asia with all its modified structuralism and economic complementarities already has witnessed a decade of sub-regional growth. South Asia thus even over a decade after the creation of SAARC continues to have the image of "high profile and low performance" (Khatri, p.52-53) and the ASEAN's success story in regional endeavor has become a matter of inspiration. In this sense, both regionalism and sub-regionalism have been re-appraised conceptually as well as empirically with an eye on their evolution in ASEAN and SAARC regions.

The comparative analysis of ASEAN and SAARC demonstrates that the inter-relationship between regional security and regional cooperation in both theory and practice share a basic conceptual relationship. ASEAN has made greater progress towards building regional security in terms of conflict management but the sense of regional security is not evident in the SAARC region. States in both Southeast Asia and South Asia are drawn into mutual relationship by geographical proximity shared problems and mutual hostility.

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However, Southeast Asian states have not let these problems hinder the growth of regional cooperation, through Indochina was excluded at the time of the formation of ASEAN.

In fact, ASEAN can give SAARC a creative impetus for regional cooperation, by bringing home to the SAARC countries not only the whys of regional cooperation, but also the how's of it. Such as for example, on the one hand, India can learn from Indonesia how a large regional power should behave with its smaller and weaker partners in a regional organization. On the other hand, India's neighbors can learn from the neighbors of Indonesia how the smaller members of a regional organization should behave. In short, SAARC can see for itself more of the ASEAN way of living and working together for shared goals, its learning process, should not be static, but faster (Gupta, 1988,p.49) . Arguably, both ASEAN and SAARC have been able to move from, being an intergovernmental association to a supra-national one. However, the influence of great powers is obvious both in ASEAN and SAARC. Both ASEAN and SAARC have avoided getting involved with disputes among the member-countries and both associations have given a much higher priority to economic cooperation than to political. Eventually, both ASEAN and SAARC emphasize on the spirit of equality, the active collaboration and mutual assistance in matters of commerce, economic, social, cultural, ethnic, scientific and administrative fields. In the "Figure 1" the comparative analysis between ASEAN and SAARC in terms of regionalization level has been assumed.

Figure 1: ASEAN and SAARC under comparative perspective

ASEAN	SAARC
<i>ASEAN way and norms</i>	<i>Balance of power and Internal Conflicts</i>
<i>No question of "natural leadership"</i>	<i>India's predominance</i>
<i>Equality among the members</i>	<i>Mistrust among the members</i>
<i>Influential role of external factors-powers</i>	<i>Influential role of external powers</i>
<i>Successful economic interaction among its member-states</i>	<i>Forum of bilateral cooperation between member-states, lack of formal interaction</i>
<i>Promotion of direct Investment and trade</i>	<i>Lack of complementarity in the exports</i>

China engages SAARC and ASEAN: a Comparative Perspective

Regarding regionalization in South Asian, China has shown its interest in joining SAARC. While Pakistan and Bangladesh supported China's candidature, India was more reluctant about the prospect of Chinese membership. However, during the 2005 Dhaka Declaration India agreed on granting observer status to China along with Japan. During the 14th summit, Nepal along with Pakistan and Bangladesh announced their support for the membership of China. More specifically in April 2007 China for the first time attended the SAARC Summit as an observer, which marked a new beginning of China-SAARC relations and it will steadfastly pursue the neighbors by further strengthening traditional friendship and mutually beneficial cooperation with SAARC members(Dawei, "Jointly Created a Better Future",2008,p.322) . In this frame it is true that China seeks greater involvement in SAARC even if it is too early to apply for membership. However, nowadays, the interests of China and SAARC members have become increasingly interconnected and China as SAARC's observer has made great contribution to the stability of South Asia.

The main achievement is that Chinese government supports the objectives and priority areas of SAARC. More specifically, it respects the position of SAARC countries and the principles of equality, mutual trust and win-win cooperation and is ready to carry out and expand cooperation with SAARC to contribute to the cooperation process of SAARC countries on poverty alleviation policy and practices of SAARC for the peace and the development of South Asia region (Ye, 2008).

However, it is a fact that China's relations with SAARC faces some challenges such as the strategic and economic location of South Asia itself; the connection between China's two problematic regions—Xinjiang and Tibet—with the South Asian region is another source of conflict; the tactical dynamism of Pakistan and India in its strategic interests; and finally, economic tie-ups with smaller South Asian countries, etc. (Pande, 2011, p. 304).

In brief, the current Chinese diplomatic thinking is that China's role in SAARC would enhance China's assimilation with the region of South Asia for common purposes and prosperity. China views SAARC as a catalyst cluster for promoting its own regional strategic ambitions, containing the influence of India to some extent, and it may desire to pursue this drawback in South Asian cooperation in its benefit. In this sense, there have been constant increases of cooperation in economy and technological fields. Chinese discourse towards South Asia suggests that there are two levels of China's engagement with the region. Firstly, China attempts to institutionalize the China-South Asia network; secondly it makes efforts to strengthen bilateral ties with the individual countries of SAARC (Cheng, 2006, p. 86). Thirdly, China explores the possibility of establishing a China-SAARC regular mechanism for cooperation on disaster relief to share experience and information. In fact, the two stakeholders (China and SAARC) can achieve cooperation in human resources development given the abundant human resources in China and SAARC countries. Eventually, cooperation on infrastructure and energy sectors on the basis of equality and mutual benefit encourages Chinese enterprises to make investments in SAARC countries and it has been proposed a China-South Asian Business Forum so that it can serve as platform for discussions on economic cooperation and trade (Zhaoxing, "Embassy of the Peoples' Republic of China in India" 2007, p.2).

Regarding China-ASEAN bilateral relationship it is true that it has deepened in every aspect like politics and economics since two sides started to implement their free trade program. To a certain extent, tide "ASEAN zeal" has emerged in China since 2001 at the levels of both governments and academics.

More specifically, core issues of various ASEAN studies focus on how to define China-ASEAN relationship and how to push forward this bilateral China-ASEAN relationship. For instance, from a strategic perspective, developing China-ASEAN relationship is endowed with the significance in creating beneficial neighborhood and expanding China's international and regional influences, while from the perspective of economic development, pushing cooperation with ASEAN is further regarded as the platform for industrial escalation in China. China-ASEAN relationship is based on common interests, however, many scholars argue that under the framework of interdependence and strategic cooperation, both sides, China and ASEAN should direct their future efforts to strive to proactively develop mutually beneficial cooperation in politics, economics and security among others and endeavor to build regional identity so that the healthy

remain an important focus of Chinese contemporary foreign policy as multilateralism has become a main axis of China's foreign policy dialogue at global level, and at regional level with other developing countries and regional entities.

Besides, the traditional Chinese perspective of its strategic periphery has grown due to the contemporary realities. Arguably, the current ambitions for superpower status have prompted China to affirm itself as a "natural leader" of many groupings and regions. The element of "responsibility" is very much noticeable in China's current approach towards SAARC vis-à-vis South Asia. South Asia is among the regions where China is seeking to exert more influence. However, China's power and involvement to SAARC is limited mainly because of the increased role of India and its regional allies. Particularly, SAARC in South Asia and ASEAN in Southeast Asia seem to be two of those institutions and regions where China would like to lead. The way in which China has engaged with South and Southeast Asia has highlighted a number of aspects of its foreign policy which are useful for evaluating China's intentions towards the regional governance. China's active approach to regionalism is sophisticated strategy, which has succeeded in advancing China's broad foreign-policy goals, while making China's growing weight in the region more acceptable to the resident states. In short, regionalization and regional governance brings stability in the region of Asia and China's multilateral approach not only helps to dispel fears about China's rise, but it also provides a mechanism with which China can actively contribute to shape regional developments and regional governance. In this framework, China should work together with regional organizations such as ASEAN and SAARC for building win-win achievements and prosperity in the regions of South and Southeast Asia.

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