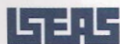


DEVELOPING ASEAN-CHINA RELATIONS Realities and Prospects

A Brief Report on the ASEAN-China Forum

27.51
ASE



Institute of Southeast Asian Studies

CONTENTS

<i>Foreword by K. Kesavapany</i>	vii
Session I: Evolving Security Environment in Southeast Asia: ASEAN and Chinese Assessments	1
Session II: Role of the Other Major Powers: ASEAN and Chinese Views	10
Session III: ASEAN-China Maritime Security Co-operation	15
Session IV: Strengthening Co-operation in ARF: ASEAN and Chinese Views	19
Session V: ASEAN-China FTA: Co-operating for a Win-Win Situation	26
Session VI: ASEAN-China FTA: The Co-operative Endeavours	32
Session VII: Advancing ASEAN-China Relations: Transcending the Historical Baggage	36
Session VIII: Strengthening East Asian Co-operation: ASEAN+3 Process	42
<i>Programme of the ASEAN-China Forum 2004</i>	47
<i>List of Speakers, Discussants and Chairmen</i>	56

SESSION I

EVOLVING SECURITY ENVIRONMENT IN SOUTHEAST ASIA: ASEAN AND CHINESE ASSESSMENTS

In this session, the participating ASEAN and Chinese scholars assessed their regional security challenges, the rise of China, the U.S.-led war against terrorism and its military presence in Southeast Asia, and how to develop ASEAN-China strategic partnership.

ASEAN's Internal Security Challenges

The ASEAN scholar pointed out that ASEAN countries were faced with two internal challenges: the first challenge was due to the financial crisis and globalization, which had not only economic but also social, political and even cultural dimensions. The second challenge was the pressure on the new relations among the Southeast Asian countries that had come from the expansion of ASEAN's membership from six to ten member states, which had great and different expectations out of the expanded ASEAN.

These two internal challenges could be more devastating to ASEAN than any external security challenges, which, in the view of the ASEAN participant, "are in fact non-existent in the foreseeable future".

The Chinese scholar believed that security in Southeast Asia would be stable, but with some potential challenges from ASEAN's economic instability, its domestic political and social changes, some lingering historic disputes, and terrorism. As for how to maintain ASEAN's stability, he suggested the following:

- stabilize the regional economy, financial system in particular, through individual countries' readjustment of their economy and regional co-operation, such as "10+3" and "10+1";
- make joint efforts to deal with terrorism and to strengthen the regional non-traditional co-operation; and
- develop a larger regional concept with ASEAN as a driving force economically, politically and in security.

ASEAN's External Security Challenges

The ASEAN scholar viewed potential instabilities in East Asia as potential conflict across the Taiwan Strait, nuclear proliferation in the Korean Peninsula, and the nuclear stand-off between India and Pakistan. In addition, there were new threats and challenges, i.e., terrorism and the proliferation of weapons of mass destruction (WMD). What was most important in dealing with international terrorism was to raise the threshold against any attack in the future through regional and international co-operation in intelligence, police, immigration, financial control, and sometimes among the military, when it is needed. Efforts should be made to identify the root-causes and to win the hearts and minds of the Muslim community.

In the longer term, the strategic challenges to Southeast Asia would include:

- coping with a rising China when it on its own right will become a "superpower";
- the evolving relationship between China and Japan; and
- the future relationship between China and the United States.

How is the region going to cope with a rising China? The ASEAN scholar lauded China's efforts to portray its rise as

peaceful: "It should be even better if China would like to expand on this new paradigm and work it out into a new strategy of development, including in the security field." He noted that historically, the rise of a new great power had always led to instability. A new paradigm, for example, the formation of an East Asian Community (EAC), is needed to help bring about the rise of a responsible and peaceful China, which would be a good thing for China and the East Asian region.

As for the relationship between China and Japan, the ASEAN scholar noticed that Japan is becoming increasingly assertive while there has been a resurgence of Chinese nationalism. He believed that the normalization between the two powers was a condition for East Asia to make real progress towards deeper cooperation, especially in the political-security field. Hopefully, ASEAN could assist the normalization, especially through the process of the East Asian community building.

As for the future relationship between China and the United States, he believed that potential confrontation between them could happen. If China is going to become another superpower on its own right in 20–30 years, the region could be split.

On the North Korean issue, he believed that it was important for ASEAN to strongly support a non-nuclear Korean peninsula.

Chinese participants generally took an approving attitude towards regional security environment and China's relations with its East Asian neighbours, except on the Taiwan issue and China's relations with Japan, which they attributed the current difficulties to Japan's attitude on Taiwan and the history. As for its economic relations with Japan, they, while being positive in general, hoped that Japan would work harder with both China and Korea as equals to promote Northeast Asia economic cooperation, which would lead to an East Asia FTA instead of