China in Southeast Asian Regionalism: Approaches and Trends in Politics and Security Dimensions

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A B S T R A C T

As the economic vitality of the Southeast Asian Region became increasingly dependent on China's economic rise, the questions pertaining to its influence on the politics and security dimensions of the region have abounded. What kind of influence does China have in the security dimension of Southeast Asian Regionalism? What are the trends in regional actors' political inter-engagements, how do they impact security, and can they lead to pan-regional trends in security? This article seeks to unravel these questions by focusing on approaches to security in the region, China's approaches to politics and security in SAR, its engagements in the South China Sea and trends in security in SAR.

Keywords: Southeast Asian Regionalism, Security, China's leadership, power rivalry, competition

Introduction

Southeast Asia is widely acknowledged as one of the most dynamic regions of the world. Owing to this region's economic and political relations with China, its resultant security dimensions have been extensively debated in international relations. Southeast Asian Regionalism (SAR) is primarily represented by the Association of Southeast Asian Nations (ASEAN) group of ten countries (i.e., Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Vietnam, Laos and Myanmar). Clustered around the ASEAN, there is a multitude of processes and regional frameworks imparting Southeast Asian regionalism with dynamism and multidimensionality. The various extensions that have emerged over a period are ASEAN+1 (ASEAN and China), ASEAN+3 (ASEAN, China, Japan and South Korea) and ASEAN+3+3 (ASEAN, China, Japan, South Korea, India, Australia and New Zealand), and various Free Trade Agreements.

Regionalism in Southeast Asia emerged since the inception of ASEAN in the 1960s, yet it started deepening in terms of economic integration only after the Asian Financial Crisis in 1997-98. The process of regional cooperation is exposed to many pulls and pushes, sometimes by formal institutional mechanisms and at other times by informal mechanisms of globalization and multipolarity. SAR has been widening in scope, including both traditional (economic and political) and non-traditional cooperative mechanisms. Most significantly, China's activities in SAR intensified the financial crisis, and the phenomenon was aided in many instances by its proactive regional policies. Meanwhile, the status of China, not just in the region but in the world, is steadily rising to that of a major power. From 1997 to over a decade later, SAR has strengthened economically, and its political and security ramifications merit a deeper analysis. Rationalizing China's security relations in SAR is extremely significant as the motivation, structure, impact, convergence, and sustainability of SAR are dependent on this dimension.

The shifts in the PRC's view of the region and the world order in the aftermath of the watershed event of the Asian Financial Crisis in 1997-98 are particularly relevant to the study as the first stimulus for SAR came right after the crisis when the perceived inadequate response by multilateral institutions, especially the IMF (Sohn 2008:309-326; Bergsten 2000:20-22) paved the way for intra-regional efforts.

China's response to this crisis was in keeping with the international norms that govern markets. An emphasis was also laid on regional integrity in facing the issue, but only within the IMF-World Bank framework. China's focus on multilateralism seemingly wavered because it supported the US strategy in the immediate aftermath of the 1997 financial crisis. Yet, this solidarity was underappreciated (Pomfret 2007), and the situation worsened after the 1999 US bombing of the Chinese Embassy in Belgrade (Ibid). Domestically, the crisis also provided impetus to a vigorous economic reform process (Liew 2005). However, some 'cognitive dissonance' (Sohn 2008:309-326) was also apparent in the response of the Chinese policy elites to the Asian financial crisis, evidenced in the 'widespread debates, enthusiastic study, and profound lessons' (Sohn 2008:309-326). Since the crisis, the role of regional multilateralism, as perceived in Chinese foreign policy, in managing the challenges posed by globalization has been steadily increasing (Sheng 2003). Though some Chinese strategists voiced concerns about the membership of Vietnam, Laos, Cambodia, and Myanmar in ASEAN, they later supported the move on the premise that more members in ASEAN would make the organization more moderate. This robust discourse on regional multipolarity and multilateralism eventually led to the emergence of new ideas such as 'pan-Asian identity' and 'positive-sum view' (Sohn 2008: 309-326 and Qin

2008). Earlier, the 'new security concept' put forward by the PRC in 2002 underlined the notion of 'common security', 'cooperative security' and 'comprehensive security' (Ministry of Foreign Affairs, China 2002) for the Asia-Pacific region.

More recently, under Xi Jinping, security has been elevated to the top of China's internal and external policy agendas. Since assuming office in 2012, Xi Jinping has positioned national security as the cornerstone of all elements of governance. Xi has broadened the definition of national security to encompass cyberspace, the deep sea, the polar regions, outer space, politics, the economy, defence, culture, and the environment, in addition to extensive data systems and artificial intelligence. In this regard, Xi Jinping has suggested "comprehensive national security" (Xinhua 2021), which has grown to include 16 different security categories (Xinhua 2022). China regularly reminds its citizens to exercise caution when confronting actual or perceived threats to their national security, whether through the media or posters on buildings. Xi Jinping urged the nation's senior national security officials to update security measures and consider worst-case scenarios to safeguard China's national security. In 2023, in a meeting with the ruling Communist Party's National Security Committee, President Xi emphasized the need to "intensify efforts to confront any internal and external threats, given the complexity and difficulty of national security issues the country is currently facing" (Xinhua 2023) alongside seeking "favourable external security environment around China" to improve openness to the outside world and foster deeper integration of security and Development (Xinhua 2022). Xi Jinping unveiled the Global Security Initiative (GSI) in April 2022. Beijing has heavily pushed the Global Development Initiative (GSI) and tried to include the GSI language in international forums and publications (Office of the Secretary of Defence, US 2023: III). All the above overtures are in sync with the PRC's vision of a "community of common destiny" that supports its strategy to realize "the great rejuvenation of the Chinese nation", rooting itself in the region.

The present article focuses on China's engagements in the political and security dimensions of SAR with a special focus on approaches to security in the region, China's approaches to politics and security in SAR, its engagements in the South China Sea and trends in security in SAR. In the process, it seeks to unravel the nature of influence China has on the security dimension of Southeast Asian Regionalism, the trends in regional actors' political inter-engagements, and their impact on pan-region security.

Approaches to Security in SAR

In classical Realism and Liberalism, Politics has been associated with the cause of *living,* whereas International Relations (IR) discourse ascribes the basic virtue of *survival* to Security in the IR. This attributed dichotomy in politics and security encouraged scholars to not only separate but also prioritize them. The post-World War II discourse on international security has been dominated by the context of the use of force amongst states and the role of great powers. International security was limited to territorial integrity and threats to it, particularly by great powers. Globalization and multipolarity have spurred changes in this traditional definition of international security, and it now incorporates elements of human security, environmental security, and non-military collective action (all components of non-traditional security), and SAR reflects these characteristics.

Politics, on the other hand, has traversed a much shorter path, with *living* still essentially being debated around who gets what, when and how. This question has been debated by Liberals, Marxists, Realists and Critical theorists with their focus on its basic premise, which is resource allocation and the rationale behind it. The East Asian region is dominated by developing societies, and as such, this question remains germane to their central concerns. Politics, essentially, would encompass security and hence constitute a meta-theme under which security concerns are situated.

Closely associated with both politics and security is the notion of conflict. Inevitably, the element of conflict has also undergone change, with what realists describe as inter-state war becoming a 'small or medium power activity primarily', and thus the 'attention of great powers has been focused on other types of conflicts' (Holsti 1996: 25). The notion of security *between* states 'has become increasingly dependent on security *within* those states' (Ibid: 20). As the nature of conflict has changed, states' tendency to exercise monopoly on violence and power is also challenged. The efforts to prevent the proliferation of conventional and unconventional weapons, counter-terrorism activities, environmental protection and food security are some of the rationales that compel states to move towards *cooperative security* at regional and international levels.

To assess *what concerns most states*? Especially in SAR, the Neoliberal argument that it is not the 'high' politics of security and survival but the 'low' politics of trade and economic interaction (Keohane and Nye 1977:122-132) becomes plausible. Neoliberals show more concern as to *how a state benefits overall*, as opposed to how a state will benefit in comparison to others; it is suggested that policymakers will consider absolute gains to be made from an agreement, including potential longer-term gains. Neoliberals argue that focusing on relative gains is misguided, as economic interdependence ensures that neither side can effectively exploit the economic relationship and take advantage of the other politically. To focus on the distribution of benefits could affect the total benefit overall. Mearsheimer argues that absolute gains logic can only apply to the economic realm, whereas relative gains apply to the security realm (1995: 19). Neoliberal Institutionalists attempt to make a dividing line between the economic and security realms, yet there is a correlation between economic might and military might. If Neoliberals accept this Realist claim that states act in accordance with self-interest in an anarchic system where military power matters, then according to Mearsheimer, they must deal with the issue of relative gains (Mearsheimer 1995: 20). Keohane and Martin accede that there is no clear analytical line between security and economic issues, but Institutionalist theory prioritizes the role of institutions in providing information and hence remove the problem of uncertainty in world order (Keohane and Martin 1995:43).

To substantiate their argument, neoliberal institutionalists argue that states increasingly find themselves in a condition of '*complex interdependence*' (Keohane and Nye 1987:122-132). In making use of the concept of interdependence, Keohane and Nye also importantly differentiated between interdependence and dependence in analyzing the role of power in politics and the relations between international actors (1987:122-132). Globalization represents an increase in interconnectedness and linkages; this mutual interdependence between states positively affects behavioural patterns and changes the way states cooperate (Keohane and Nye, 2001:9). Traditional critiques of neo-liberalism (that complex interdependence represents) are mainly that they ignore the social nature of relations between states and the social fabric of international society.

The critical question then becomes: *what kind of regional security cooperation can be envisaged in SAR?* The New Regionalism represents multidimensionality while dealing with politics-security-conflict-power equations. Most importantly, it is an advance over the earlier regionalist wave, which conceptualized the 'region as a subsystem of the larger international or primary system, embodied in an organization focused on regional integration' (Kelly 2007:198).

One of the most impressive articulations has been Regional Security Complex Theory (RSCT), advanced by Barry Buzan and Ole Waever in their 2003 work *Regions and Powers: The Structure of International Security*. Their concept of RSC covers how security is clustered in geographically shaped regions, that security concerns are not geographically far spread, and threats are therefore most likely to occur in the region. The security of each actor in a region interacts with the security of the other actors, and there is often intense security interdependence within a region but not between regions (Buzan and Waever 2003: 40-43). Furthermore, according to RCST, the end of the Cold War opened the way for an external transformation in the regional security architecture of Southeast Asia. From the 1980s, economically, and during the 1990s also in a political sense, the states of Northeast and Southeast Asia increasingly began to merge into a single RSC (Regional Security Complex) when the ASEAN Regional Forum (ARF) was set up, and Vietnam joined ASEAN. Arguments about *collective security,* instead, recognize the importance of military force as a characteristic of international life, but advocates of this theoretical approach believe that there are realistic opportunities to move beyond the self-help world of realism. To accept collective security, one must adhere to three main principles. First, states must surrender the use of military force to alter the status quo. Second, to accommodate the interests of the *international* community, states must broaden their conception of the *national*. Finally, states must look past the fear that encapsulates world politics and begin to trust one another (Baylis 2020:310, emphasis added).

Clearly, in the case of SAR, which has developing societies as its constituents, the *lone survival* rationale is not the most convincing one. It is evident that the region is moving towards a greater cooperation paradigm, even if the constituent units are not totally in synch with each other's political perceptions. The priorities of China and Southeast Asian states are centred on greater development. Therefore, the complex interdependence thesis is plausible in the case of SAR as far as the economic dimension is concerned. To elaborate on security, it is important to add an additional aspect, viz. *The identity* of China is central to this discussion.

To further shore up these arguments about how security is conceived, it is relevant to introduce the *identity* discourse, a concept developed in the realm of constructivist theory. According to this theory, how a particular actor views itself in the region acquires significance, as its actions are then guided by its perceptions of the self. As Alexander Wendt elaborated, identity refers to who an actor is and constitutes a property of intentional actors that generates their motivational and behavioural disposition' (Wendt 1999: 225). The formulation of national policies on politics and security involves the calculation of national interests and how to achieve them, but interests always presuppose deeper identities' because an actor cannot know what it wants until it knows who it is' (Ibid: 231).

China's Security Perspective in SAR

To understand China's security perspective, concepts like power, strategy, and identity are identified by scholars as crucial in developing China's foreign policy (Zhu Liqun 2010:17-55; Gerald Chan 1999: 28-46). The Chinese equivalent of 'Power' is '*shi' [1]* which refers to the overall configuration of power and the direction or tendency of the process of change in which an actor acts and interacts (Zhu Liqun 2010: 17). According to Zhu Liqun, the Chinese believe that *she* should be well understood before a political or strategic decision is made, as it decides the two critical dimensions of international affairs: the distinctive features of the times or the broad trends discernible in the contemporary world and *goji geju*, which broadly translates as the international power configuration (Ibid). Therefore, identifying the existing *shi* is always vital before China evolves its international strategy. This emerges from the Chinese tradition of considering any situation as a part of the whole and its inherent potential for change (Ibid). *Guoji geju* is another core concept widely invoked by Chinese scholars in their discourse on the international situation with respect to China's security rationale and its foreign policy. While the scholars concede that prior to the middle of the nineteenth century, China occupied a central position in the regional structure in East Asia, it was lax in recognizing the importance of emerging powers and lost this central position following its confrontation with Western powers in the Opium War. 'The 'century of humiliation' (Paul A. Cohen 2003:148), as Chinese scholars have described the period of semi-colonization and their encounter with the Western powers, during which China underwent a major political, social and cultural upheaval, led to an acknowledgement of the vital importance of 'hard power' and western science and technology as the foundations of a country's strength. The leaders of modern China have thus been finely attuned to the dynamics of the international power structure and have consistently factored in the status of other major powers in shaping their security perceptions and behaviour.

Identity is yet another core concept in Chinese thinking. As discussed above, the issue of identity has been crucial to China ever since it experienced a drastic fall in status from its imperial heyday to becoming a semi-colonial country in the middle of the nineteenth century (Ibid; Zhu 210:19). In the Chinese way of thinking, it is not treated as a 'process approach' (Qin 2016). For the Chinese, 'relations' are the most significant aspect of social life and the 'hub of all social activities' (Qin 2008: 4)They believe that power and identity are both defined within the network of relationships. The underlying

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[1] The ancient Chinese concept of shi has been translated variously as 'the disposition or propensity of things', 'circumstance', 'power or potential', and can apply to various domains ranging from aesthetics to statecraft to military strategy. In the latter context, it often refers to the strategic configuration of power. The French sinologist François Jullien explains this concept in depth in his book La propension des choses (Seuil, 1992), translated into English as The Propensity of Things: Towards a History of Efficacy in China (1999).

belief here is that actors manage and maintain relationships in the process of international interaction and that actors may enjoy multiple identities in multifold relations, which may not be conflictual but complementary (Wang Dehua 2012; personal interview with the author).

A third core factor in China's foreign policy, according to Zhu Liqun, is diplomatic *strategy*. This refers to the art of using various means to realize national interests and goals (Zhu 2010:20). China focuses on the dynamics of change and long-term interests (Ibid). Complex diplomatic tasks at international, regional and domestic levels demand closer cooperation with international society (Li Yihai 2012, personal interview with the author). Diplomatic strategy facilitates the prioritization of issues and basic principles for policy implementation. These concepts are not only the key aspects considered in China's foreign policy decision-making but are the basic issues around which domestic debates concerning China's foreign policy revolve.

The Chinese view of its political and security role in East Asia comprises a structure of values (*shi* and identity) and an understanding of the nature of the order (*goji geju*) that permeates a whole system of states and non-state entities. This formulation has been extrapolated from the discussion on 'hegemony' from Critical Theory (Cox 1983, Cox and Sinclair 1996: 151). While a direct discussion on to politics *and* security is difficult to locate, there is a profusion of writings in China about China's security rationale within the region. Most Chinese scholars think that in the present international system, unilateralism and multilateralism coexist in varying degrees mainly because China's development strategy (which primarily determines its foreign policy) is deeply reliant on its integration into the international and regional economy, the openness of foreign markets, massive technology transfers, unimpeded access to energy and raw materials, and also the sustained economic buoyancy of such countries as the US and hence these factors should figure in determining Chinese diplomacy. A stable and peaceful international system is therefore required. The main trend in Chinese strategic thinking favours the status quo and finds no quarrel with the 'benign hegemony' of the US (Zhu 2010: 51). Yan Xuetong (2006) adopts what he calls a 'power-class approach' to assess China's power status in the world in contemporary times according to which 'it is the proportional relationship between the power statuses of two states, not the absolute quantity of difference that decides a state's power status' (2006: 12).

Some influential Chinese scholars like He Fang, published extensively, arguing that the world had entered a new era of peace and Development post World War II, making it possible for China to cooperate with Western Powers. Chinese scholars have seldom argued positively in favour of hegemony or a hegemonic rule owing to the historical experiences of China dating from the middle of the nineteenth century (Zhu 2010:23). Zhu Liqun elaborates that traditional China accepted hegemonic rule but made a distinction between 'rule by force' (*ba dao*) and 'rule by virtue' (*wang dao*). She avers that hegemonic rule realized by virtue was highly valued, drawing parallels to 'benign hegemony' (Ikenberry 2001: 28). However, due to the suffering of the Chinese people because of Western power politics at the time of the Opium War of 1840, the term 'hegemony' in the Chinese discourse has been perceived as denoting an unethical rule of might instead of being an objective description of power. Thus, 'hegemony' has become strongly derogatory and almost identical in meaning to 'hegemonism'. Criticism of hegemonism can be found in many Chinese official documents (PRC, 2011. China's Peaceful Development:1) and writings published by scholars. The Chinese IR community 'has generally been negative' about hegemony and the theory of hegemonic stability. In such a setting, China's perceptions of its external environment become extremely relevant. The East Asian region has been exposed to changing political and security environments since the end of World War II. According to the IR scholar Wu Xinbo, over the past five decades, the East Asian region has experienced various security structures: "from 1950s to 1960s, it was the US-USSR bipolar structure; from 1970s to 1980s, the China-US-Soviet Union tripolar structure; and from 1991, with the disintegration of Soviet Union and the contraction of Russian power in East Asia and the Western Pacific, the tripolar structure disappeared" (Wu 2005:1).

With the appearance of multipolarity and globalization, it has become increasingly difficult to assign a definite form to the East Asian regional security structure, given the multidimensional nature of EAR. China's multi-level interaction with countries participating in EAR is described by one study through a 'hot-cold' analogy, ranging from 'cold to hot depending on the type of interaction and country or state being considered: at the human level the temperatures are mixed, at the economic level hot, at the diplomatic level cold for Taiwan to warm for the ROK, and at the military level, temperatures of interaction are cold '(Nanto and Avery 2005: 1).

China's *National Defence White Paper,* released on March 31, 2011, which was the seventh of the series since 1998, was primarily an outward-looking document. Since 1998, the Defence White Papers have served to convey China's strategic assessments and formulations, intended to allay concerns about transparency and to reduce mistrust based on China's growing defence spending and military modernization. It also articulated China's assessment of its security situation and outlines Beijing's strategic threat perceptions. The White Paper underlines positive developments in cross-Strait relations over the past few years. At the same time, it notes that further progress in the cross-strait relationship 'is still confronted by some complicating factors' (Ibid: 5). China's 'peaceful development' thesis has been criticized in many quarters. For instance, Ikegami (2009) discards China's proclaimed 'peaceful rise' strategy as a mere rhetoric or a strategic propaganda' (2009: 22), pointing out the destabilizing nature of China's rapid military build-up and its alliances with rogue states that are upholding authoritarian regimes, 'hindering the prospect of democratization'. Very provocatively, in a section entitled 'PLA's *determined preparation for attacking Taiwan*', Ikegami suggests that the PLA's quantitative and qualitative military build-up 'has reached the point to enforce unification on Taiwan' (2009: 31).

All too frequently, in such analyses, security and economic studies are treated as mutually exclusive, which is erroneous, to say the least. For instance, it is not uncommon for economists based in Taiwan to convey immense frustration at the government there for failing to institute direct links and completely open economically to the mainland (Brown, Hempson-Jones and Pennisi 2010:12). If the traditional security rationale was as dominant as reflected in the security debates involving ballistic missiles defence, such economic concerns would not have been voiced at all – as was indeed the case during the 1980s and early 1990s, prior to the burgeoning of the economic linkages and relaxation in the political relations across the Taiwan Strait.

A study of China-ASEAN relations by Carolina G. Hernandez (2009) underlines the assessment that Chinese regional behaviour is, in general, quite conflict-averse. China's increasingly active engagement with ASEAN and the ARF is interpreted post-1997 as positive developments, stressing that China

has cast aside its distrust of regional associations and is instead functioning more and more like a status-quo power. It is pointed out that breakthroughs have been achieved concerning the maritime territorial disputes in the South China Sea by the Treaty of Amity and Cooperation (TAC) (Declaration on the Conduct of Parties in the South China Sea, Phnom Penh, November 4, 2002; Treaty of Amity and Cooperation in Southeast Asia Indonesia, February 24, 1976). Some studies are cautious and maintain that 'China has taken a modest, if advantageous, position on the territorial disputes' (Kondapalli 2009:159).

Some of the works from Chinese scholars are actively aimed at dispelling projections of the *Chinese threat*. For instance, scholars like Zheng Bejian (2005) and Zhao Kejin (2013) underline the priorities of China's foreign policy as seeking peace since its development has a symbiotic relationship with world peace. This formulation has been upheld by the senior political leadership in China on various occasions. China's former President Hu called for strengthening global cooperation to promote common development and to shape a 'balanced world and harmonious development' (Hu 2005:5; See also 2000; 2006). In another instance, Hu Jintao (2006) pledged China's unswerving faith in peaceful development to play a constructive role in promoting world peace and development.

There is another angle to China's power and identity in SAR, that of a response to the changing geopolitics of the region due to US policies. China's Defence paper released in 2019: *China's National Defense in the New Era* focuses on the US strategy that incites competition and possible conflict with China and Russia. Seeing the US as a competing superpower, the white paper underlines the futuristic challenges that will show up in the region.

The visible patterns of China's engagements can be read through its political and security engagements in SAR. As a major vehicle for China's emerging regional role has been the trade agreements, its political and security policies do not exclude its economic priorities. The economic dimension of China's power provides it with a stronghold in the region to negotiate/ influence power in the world order, and its political and security perspective is guided to a large extent by this aspect.

China's Political and Security Engagements in SAR

The Chinese leadership has experienced the transformation of society that comes from development and modernization after opening to the outside world. China now depends on international investment and trade for the economic growth needed to maintain its political stability. In this context, China has used the Belt and Road Initiative since 2013 to support its strategy of national rejuvenation by seeking to expand global transportation and trade linkages. BRI seeks to support China's Development and deepen its economic integration with nations along its periphery and beyond. BRI projects have had mixed results in economic growth and decline as of late, specifically in 2022. Beijing nevertheless maintained that giving public health, digital infrastructure, and green energy potential top priority and overall spending on BRI projects was virtually unchanged from the previous year.

For China's trading partners, dependence on the Chinese market means that Beijing loomed large in all aspects of policymaking post-1997 financial crisis (Min 2005:43-57), and yet, today, China and the region have closer trading relations than before. In 2019, the value of bilateral goods trade exceeded $500 billion. However, there is a growing imbalance in the relationship as Southeast Asia depends more on Chinese imports while there is slow export development. China's percentage of the major ASEAN economies' exports has stagnated over the past ten years, except for Indonesia, whose commodity exports have profited from the robust demand for raw materials from rapidly expanding Chinese industries like solar panels and electric vehicles. China's growth has been characterized by a decreasing reliance on imports since the mid-2000s (Shihong 2021: 87). China is becoming more reliant on its neighbours in Southeast Asia to meet domestic demand and run its value chains (Asian Development Bank 2023). With its attention shifted to high-tech manufacturing, China may start importing more consumer items from ASEAN economies. China promised to boost imports from the region at a conference with ASEAN leaders in September 2023, and there is a benefit to China's increasing service investment in SAR (Wester, 2023).

Before COVID, Thailand, Malaysia, Singapore, and other countries profited greatly from the surge in Chinese tourism. Apart from augmenting tourism's role in these nations' development, the flood produced jobs, increased earnings, and stimulated internal consumption. As geopolitical developments cause Chinese travellers to avoid formerly favoured locations like Japan and the United States, this trend is expected to resume and may pick up speed (Kishore, 2023). The trend upholds the view that 'most East Asian states view China's return to being the gravitational centre of East Asia as inevitable and have begun to adjust their policies to reflect this expectation' (Kang, 2007: 50).

At the same time, maintaining that the economic consideration (*sans* any rationale of power, interest and identity) alone guides the proactive Chinese foreign policy with regard to SAR is erroneous. It is pertinent to outline the recent political-strategic engagement of China *vis-à-vis* SAR actors. The next section highlights the trends of China's engagements in SAR. The objective is to highlight the proactive policies of China as an engaging power, holding security in the status quo.

Fears in the South China Sea

China's developing/evolving relationships with Southeast Asia underwent a significant shift since the 1990s, when China was perceived as a threat to its Southeast Asian neighbours due to its conflicting territorial claims in the South China Sea. This perception changed in the wake of the Asian financial crisis of 1997-98 when China resisted pressure to devalue its currency while the currencies of its neighbours were in free fall.

ASEAN's Treaty of Amity and Cooperation in Southeast Asia (TAC) with regional partners, which seeks to institutionalize certain norms of economic and political bonds through the agency of ASEAN, can be seen as its founding non-aggression pact aimed at promoting regional stability. The TAC has served as a conflict-prevention mechanism among ASEAN members since nations that accede to the TAC are bound by law to refrain from pursuing aggressive measures that could incite conflict. China's signing of the TAC at the 2003 summit in Bali indicated its strategic accommodation of Southeast Asian neighbours, allaying the fears due to the tensions in the South China Sea. It facilitated the forging of close relations with ASEAN and in East Asian' community' building (Dent 2016: 33). In 2006, Japan also signed a statement confirming its desire to become a party to the TAC. The growing commitment of China and Japan to strengthening their relations with ASEAN increases ROK's incentive to pursue the same path; ROK signed the TAC with ASEAN in 2004 and agreed to sign an FTA with ASEAN by 2009 at the 2004 ASEAN Economic Ministers' Meeting in Jakarta (Dent 2016:31).

The 'big power' struggle in Northeast Asia has vital consequences for the ASEAN nations, but it also presents opportunities to the Southeast Asian nations to maintain their leading position in the regional process. It is possible to argue that the ASEAN takes advantage of the US interference and the China-Japan rivalry in a hedging strategy (Stubbs 2002). The ups and downs in Sino-Japanese relations have served to promote regional integration by stimulating other regional players such as ASEAN and ROK to best position themselves for a future where a more institutionalized East Asian framework may shape relationships betwixt the nations in this region. Precisely due to the competition between the 'big powers' in the region (to maintain the balance of power if not the supremacy), impetus is provided to strengthen the processes of institutionalized regionalism (Takeshi 2006).

It showed that 'China's behaviour in the South China Sea has become more confrontational than cooperative and deserves renewed ASEAN attention' (Nanto and Avery 2005). In February 2009, media reports highlighted intense Chinese pressure to get the Philippine legislature to water down language in proposed legislation dealing with Philippine claims to 53 of the Spratly Islands, also claimed by China. The bill was altered and approved in March amidst strong Chinese official protests in Beijing and Manila (*South China Morning Post* 2009). In 2002, China and the ASEAN countries claiming islands in the area concluded a Declaration on the Conduct of Parties in the South China Sea (DOC).

A clear indication of Southeast Asia's accommodating gesture to China (despite Southeast Asia's alliance with the US) could be seen in the South China Sea issue. China's growing preference for the instruments of diplomacy was encouraged by Southeast Asia's invitation to China in 1991 to join informal negotiations to prevent the outbreak of violent conflict in the South China Sea (Djalal and Townsend-Gault 1999). The initiative was founded amidst increasing concern over China's entrance into the scramble for occupation in the centre of the South China Sea. Bruce Vaughn suggests that China appeared to utilize the strategic vacuum left by the closure of US bases in the Philippines in 1992 to establish a physical presence, allowing it to become a Southeast Asian power (Vaughn 2006). A principal achievement of informal negotiations was that it appeared to convince China that the Southeast Asian states would consider its demands and interests despite the existence of a military cooperation agreement between the US and most of the states in the region (Odgaard 2003). Enhanced mutual trust engendered Chinese acceptance in 1999 to enter formal negotiations on a code of conduct in the South China Sea. In November 2002, negotiations were concluded when China and ASEAN signed a non-binding agreement, committing the parties to exercise self-restraint and avoid activities that would complicate or escalate territorial and maritime disputes (*China Daily* 2002). With many provisions in the blueprint, China and ASEAN had established rights and obligations designed to affirm the prevalence of sub-regional coexistence.

According to Liselotte Odgaard, the South China Sea is defined as part of historic Chinese territory, and China has consistently and firmly upheld this claim. However, China accepted Southeast Asia's offer of shelving the issue of territorial and maritime sovereignty to avoid jeopardizing the steady improvement in relations over a matter that China can afford to postpone to a later date (Odgaard 2003: 11-24). A development that proved crucial in these efforts was ASEAN's acceptance of Cambodia and Myanmar joining the association in 1995 and 1999, respectively. ASEAN decided to admit these states based on a minimal interpretation of legitimacy, agreeing that political change was best promoted through inclusion. With the inclusion of Myanmar, Laos, and Cambodia, where China's influence was rapidly rising, China appeared to be convinced that the member states would remain supportive of a minimal interpretation of legitimacy, paving the way for the Sino-Southeast Asian agreement to a de facto freeze of the maritime borders in the South China Sea (Sutter and Huang 2009). Nonetheless, the issue of maritime/territorial disputes in the South China Sea remains highly contentious.

Recent developments show that even though China intensified its military operations in the South China Sea by conducting a series of naval drills and exercises in March and April 2018, tensions have relatively decreased between China and both the Philippines and Vietnam. In the meantime, China continues building economic and military outposts on its man-made islands in the region. In recent years, the US has increased its naval presence and military activities in the area. In January and March of 2018, for example, it conducted freedom of navigation operations (FONOPs) (Global Conflict Tracker 2023). In response, China has been increasing its political engagements with the main actors in the region. For instance, Xi Jinping will be making his first trip to Vietnam in six years on December 14, 2023, as he seeks to counter the influence of the US on an extremely important partner (Bloomberg, 2023) in SAR. It is evident that China is taking its engagements with SAR extremely seriously.

The Taiwan Issue

The issue of Taiwan belongs to a completely different category as China claims sovereignty over Taiwan (refer to 'The Taiwan Question and China's Reunification in the New Er'a, PRC 2022) and thus merits a deeper analysis. In the context of SAR, Taiwan's relations with the rest of Southeast Asia are primarily driven by economy and trade. The Taiwan issue is so complicated not only because of the historical animosity, mutual distrust, and social and political differences across the Taiwan Strait but also because of the existence of a structural obstacle posed by the United States: Taiwan is regarded as a part of US sphere of influence in the Western Pacific. In the post-Cold War period, US strategic planners rediscovered Taiwan's strategic utility: the *de facto* independence of Taiwan is part of the status quo favoured by the United States, and the Chinese attempt to bring Taiwan back to its embrace is a challenge to the status quo and should therefore be resisted; moreover, as long as Taiwan remains separate from China, much of Beijing's growing

power will be absorbed and digested by its efforts to deal with the Taiwan issue. As Taiwan's prosperity increasingly depends on its economic ties with the mainland, Taipei has to rethink its political relations with Beijing. In 2006, Taiwan announced its intention to abolish the National Unification Council and the Guidelines for National Unification, indicating a possible rethinking in Taiwan's commitment to re-unification with the mainland. Consequently, it drew serious concerns from both the US and China. The US government even warned Taiwan not to abolish the Guidelines and Council, as it would alter the status quo in the Taiwan Strait (*BBC News*, March 3, 2006).

China adjusted its strategy, shifting from pressuring Taiwan to a political negotiation for reunification to promoting economic integration since 2000s. As a result, the robust economic ties across the Taiwan Strait have added a new dynamic to the equation and may, in the long term, create a constructive framework in which the Taiwan issue can be managed. In other words, it raises the prospect of 'muddling through' the current political gridlock of Taiwan's entanglement toward an economically driven, evolutionary, and peaceful solution (Wu Xinbo 2002). In 2003, China rose to become Taiwan's largest trade partner (46.32 billion USD dollars), while Taiwan was China's second-largest importing country (only next to Japan) (Mainland Affairs Council, Taiwan, 2012). In terms of capital flows and FDI, Taiwanese firms have invested over 50.5 billion US Dollars in China since 1979, which accounts for more than 47 per cent of Taiwan's approved outward investment (Ibid).

Nevertheless, the regional dynamics were clearly moving in the PRC's direction, which led Taiwan to formally endorse the 1992 consensus on 'One China, respective interpretations' in 2008 and promise to keep the status quo in the Taiwan Strait (Richburg 2010). This has helped both sides in opening channels to establish institutionalized dialogues. Beijing responded to Taiwanese President Ma Ying-jeou's speech positively, and both sides have signed eighteen agreements covering virtually all issue areas in cross-Strait relations.

In addition to the resumption of semi-official talks, the KMT government also announced a series of policies to facilitate Taiwan-China interactions, such as the liberalization of currency exchange between the *NTD* (*New Taiwan Dollar*) and Chinese *Renminbi* in the domestic markets in June 2008 (*Strait Times* 2008). Virtually all policies restricting trade and social exchanges between Taiwan and China set up by the previous DPP administration were either lifted or reversed.

Chinese President Hu Jintao formally approved the idea by calling for the establishment of a cross-Strait economic cooperation agreement in December 2008. The Mainland Affairs Council, Taiwan (the cabinet agency in charge of policies toward China) claimed ECFA would 'lay down basic rules for the normalisation of cross-Strait economics and trade' and would 'improve cross-Strait relations to an extent that will induce foreign governments to enter more actively into FTA talks with Taiwan' (Mainland Affairs Council, 2009). Another aspect of Taiwan's reconciliation policy is to sign a peace agreement with Beijing. Western observers also predicted that a peace agreement would 'greatly reduce the chance of a crisis that could draw the US and China into a military conflict' and also 'provide a positive example that might apply to other cases of long-term political or ethnic conflict' (Saunders & Kastner, 2009: 87) Similar ideas such as military confidence-building measures (CBMs) were also raised and discussed in Taiwan and abroad.

The above developments of previous decades do not guarantee a peaceful settlement between China and Taiwan. The current Chinese President Xi Jinping restated China's long-standing plan for Taiwan in a 2019 speech: that it be integrated into the mainland using the principle of "one country, two systems." The same formula was applied to Hong Kong, which was given a "high degree of autonomy" along with the assurance that its political and economic systems would be able to remain intact. It has elicited a strong reaction in Taiwan as the KMT has rejected the "one country, two systems" framework, citing Beijing's recent attack on Hong Kong's freedoms.

A broader perspective, however, reveals an economic balance that has restrained Beijing's negative reactions towards Taiwan (Swong, 2023). Global supply chains centred on semiconductors manufactured in Taiwan and mainland investments by Taiwanese electronics industries serve as the foundation for cross-strait ties. China's reliance on Taiwan's business connections has grown considerably after the economic crisis and post-pandemic.

Conclusion

SAR has two distinct spheres: the economic sphere is strong and growing more complex. In contrast, the political and security sphere remains relatively underdeveloped. There are few distinguishable trends in terms of deciphering China's power in SAR and security. In summing up the arguments of the complex interdependence between China and the SAR, I would like to present the following points:

First, development equals security in Southeast Asia, a mindset that has persisted from the postcolonial era to the present. ASEAN's concept of comprehensive security incorporates political, economic, and societal concerns in addition to military ones, reflecting this way of thinking. Most Southeast Asian states have traditionally prioritised developmental challenges, especially considering the current unpredictabilities in the global environment. The transnational character of security threats like the recent COVID-19 pandemic, terrorism, environmental degradation and human security have pushed actors in SAR to intensify cooperation. The first serious effort to enhance multilateral security cooperation started with the founding of the ASEAN Regional Forum (ARF) in 1994. Additionally, APEC, a multilateral economic forum, has broadened its agenda to cover security issues.

Second, as Southeast Asian countries accumulate more experiences in practice and deepen their understanding of multilateral security, it is possible to anticipate that conditions for multilateral cooperation as a regional security practice may be improved.

The *third* is the relative decline of US influence in regional security. Countries such as the ROK, Thailand, and the Philippines endeavour to augment their security coefficients by developing political, economic, and security ties with their neighbours. For them, the US is only one of the several pillars upon which their security is based.

The *fourth* trend is the evolving Chinese role in regional security. Before the mid-1990s, the PRC's involvement in regional security was predominantly reactive and bilateral. In the past several years, however, Beijing has become more proactive. Moreover, as reflected in its participation in ARF, China appears to feel more comfortable promoting a multilateral security dialogue and cooperation.

The *fifth* trend is the continuing status quo of existing territorial disputes. Along with the long-term security interests in the region, there is a divergence in the core interests of China and the intervening power– the US in Southeast Asia.

These trends indicate that SAR may be steadfastly moving towards a complex interdependence scenario where China does not evaluate its policy options regarding its *relative gains.* Instead, China moves to achieve *absolute gains* from its regional environment. (1)

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