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IMPLICATIONS OF SINO-AMERICAN STRATEGIC COMPETITION ON SOUTHEAST ASIA'S POST-COLD WAR REGIONAL ORDER

by

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December 2003

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Southeast Asia is a maritime crossroad and an arena of strategic great power interaction. The study of international politics after the Cold War has rediscovered the importance of regional interaction as the framework for understanding countries' security strategies and the great powers' impact on specific regions. A review of various theories, furthermore, reveals the revival of geopolitics in theoretical constructions and policy formulations.

This thesis reviews United States-China relations as the independent variable. The U.S. grand strategy has been consistent since the first Bush administration, namely to prevent the rise of a peer competitor. The American instruments in pursuit of its strategy are derived from its nature as a maritime power. China is a continental power that is recently expanding seaward and reemerging as East Asia's indispensable power. China's success in promoting its vision of order in maritime Southeast Asia will potentially undermine America's influence.

Southeast Asia's regional order, the dependent variable, is dynamic when viewed from its two dimensions: time and space. Time refers to historical cycles, while space refers to the diverse views in dealing with the major powers, i.e., regional autonomy, a balance of engagement among the great powers and, since the 1990s, stronger engagement only with Northeast Asia. This thesis argues that regional identity is the primary driver of Southeast Asia's strategy for regional order.

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Southeast Asia's regional order, the dependent variable, is dynamic when viewed from its two dimensions: time and space. Time refers to historical cycles, while space refers to the diverse views in dealing with the major powers, i.e., regional autonomy, a balance of engagement among the great powers and, since the 1990s, stronger engagement only with Northeast Asia. This thesis argues that regional identity is the primary driver of Southeast Asia's strategy for regional order.

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I. INTRODUCTION

A. BACKGROUND: SOUTHEAST ASIA AS A GREAT POWERS' ARENA

Nineteen-ninety seven was a watershed year for Southeast Asia. Three developments underline the importance of that year. First, all the region's countries were finally consolidating under the embrace of the Association of Southeast Asian Nations (ASEAN). Vietnam joined in 1995, and Laos and Myanmar joined in 1997. Cambodia also was set to join in 1997 until internal power struggles postponed it to 1999. One of the consequences of membership expansion was ASEAN's diversification between pluralized and centralized economic and political systems and between maritime and continental polities. Nonetheless, optimism reigned. The foreign minister of Indonesia, Ali Alatas, predicted that an ASEAN of all Southeast Asian countries would "increase our ability to deal with … problems now that we are together."[1]

Second, a series of crises engulfed the region. These started with the collapse of the Thai and Indonesian currencies that led to the Asian financial crisis. Thereafter came the fall of President Suharto of Indonesia, the region's longest serving leader, followed by a protracted political crisis in that country and by the East Timor debacle that weakened the organization's security role. In addition, wide spread forest fires occurred in Indonesia, covering the western part of the country and the Malay peninsula with smoke. These fires were an important consideration in the dilution of the region's non-interference principle. The APSO (Asia Pacific Security Outlook) project also considered 1997 as "an important turning point." It argued that the economic crisis "played a critical role in creating the new and more sober political and economic assessment of the region," shook public confidence in regional governments, and "weakened the region's economic cooperation institutions" while restoring interest in bilateral economic and political cooperation.[2]

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[1] Acharya, Amitav, The Quest for Identity: International Relations of Southeast Asia, p. 136. Oxford University Press, 2000.

[2] Morrison, Charles E. (ed.), *Asia Pacific Security Outlook 2003*, pp. 9-10. An APAP Project. Japan Center for International Exchange, 2003.

Finally, in 1997, for the first time the leaders of Southeast and Northeast Asia met in the context of the annual ASEAN summit, initiating a process that would expand the scope of cooperation among the ASEAN countries and China, Japan, and the Republic of Korea. Of the three, the ASEAN-China relationship has expanded the most rapidly. This is a dramatic development, considering that only in the first half of the 1990s Brunei, Indonesia, Singapore and Vietnam established or renormalized diplomatic relations with China. The *New York Times* correctly observed that Myanmar's inclusion in ASEAN in 1997 was part of the region's efforts to strengthen regional solidarity, which "in the face of China's growing economic and political influence is emerging as a unifying theme, replacing the anti-Communism that motivated Asean's [sic] founders and energized its policies in the 1970's and 80's."[3] President Jiang Zemin came to the summit with offers of help by promising that China would not devalue its currency to prevent cascading devaluations and to absorb more imports from Southeast Asian economies. China and Southeast Asia agreed "to heighten cooperation … in promoting economic growth, sustainable development and social progress" and "to resolve their differences or disputes through peaceful means … [including] to resolve their disputes in the South China Sea through friendly consultations and negotiations … [and] not to allow existing differences to hamper the development of friendly relations and cooperation."[4] This meeting laid the foundation for closer China-Southeast Asia relations.

Throughout its modern history, Southeast Asia has always been an interest of the major powers because of its geography and natural resources and more recently because of its growing purchasing power and rising Islamic influence. Therefore, a closer China-Southeast Asia relationship is not exceptional as such since they are closely located and have the potential for mutual gain. China is building closer relations with its immediate neighbors in the Mekong region through various infrastructural projects, such as the Singapore-Kunming railway, the Kunming-Bangkok highway, and the dredging of the Mekong River for navigation and trade. Beijing is also seeking closer relations with Southeast Asia's maritime region. The strategic significance of China-Southeast Asia

[3] Mydans, Seth, "Asian Bloc's Anniversary Celebration Becomes a Plea for Outside Help," *New York Times*, 17 December 1997.

[4] Joint Statement of the Meeting of Heads of State/Government of the Member States of ASEAN and the President of the People's Republic of China, Kuala Lumpur, 16 December 1997.

relations, therefore, lies in relation to the United States. This is the case because China is a major power that is rising much faster than ever anticipated and because the United States as the sole superpower is attempting to prevent the rise of a peer competitor, both globally and regionally.

Southeast Asia's systematic search for regional order began in the 1960s, emerging in the insular/peninsular sub-region, represented by the establishment of ASEAN in 1967, and in the Mekong sub-region dominated by Vietnam. Two Mekong countries avoided Vietnam's hegemony: Thailand that joined ASEAN and Myanmar that opted for isolation. Both sub-regions were concerned about the impact of the great powers, but they chose differing venues. ASEAN is the more relevant because its incorporation of the Mekong countries a few years ago vindicates its regional order concept. Its concept of a zone of peace, freedom and neutrality (ZOPFAN) sought to free the region "from any form or manner of interference by outside Powers." However, no absolute agreement existed within ASEAN on what constituted "interference." Some countries opted for more autonomy, while others opted for more engagement with the great powers. Moreover, geography continues to play a divisive role at present because ASEAN with its ten members is clearly divided between the continental sub-region (Mekong) and the insular/peninsular sub-region, where the former is closer physically to China while the latter is more in tune with American maritime power.

How does Sino-American strategic competition affect Southeast Asia's post-Cold War regional order? To grasp this matter, this thesis addresses three sets of issues. The first is the historical relationship between the evolution of regional order and great power interaction. The second is the nature of Chinese and American interaction, their grand strategy, and their interests and capabilities in the region. The third issue is the regional countries' perception of Sino-American interaction and the adequacy of ZOPFAN. The period of this research begins in the early 1990s and extrapolates into the next ten years. The research methodology relies on assessment of historical trends and comparative concepts of security and draws from primary and secondary resources.

B. GREAT POWER INTERACTION AND REGIONAL ORDER

1. Conceptual Discourse

Security is a central concept in this thesis, which presumes the existence of an anarchic system of nation-states. A number of observers have argued that since the end of the Cold War, the scope of great power interaction has shifted from the global to the regional level: e.g., Lake and Morgan, 1997. Barry Buzan offers a framework that emphasizes the importance of regional political systems that are differentiable from the global system (as during the Cold War). He argues that the principal element in regional security is a pattern of amity and enmity; the former refers to "relationships ranging from genuine friendships to expectations of protection or support," while the latter is "relationships set by suspicion and fear."[5]

David Lake and Patrick Morgan define regional order as a mode of conflict management shaped by factors such as "the regional system structure, the domestic politics of states in the region, and the interaction between the region and the global system."[6] In their construct, regional orders range from traditional arrangements, such as balance of power, to cooperative security management that includes "a great power concert, collective security, a pluralistic security community, or a modest level of integration."[7] Regional countries, they argue, have certain preferences, perceptions, and strategies on how to develop the order; however, the questions are how and why these states opt for a particular approach. Furthermore, Patrick Morgan contends that the higher the level of security order, "the less vulnerable it should be to external penetration, because it has fewer conflicts that invite intervention."[8]

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[5] Buzan, Barry, *People, States and Fear (2nd Ed.): An Agenda for International Security Studies in the Post-Cold War Era*, pp.190. Lynne Rienner Publishers, 1991.

[6] Lake, David A. and Morgan, Patrick M., "The New Regionalism in Security Affairs," in David A. Lake and Patrick M. Morgan (ed.), *Regional Orders: Building Security in a New World*, p. 9. Pennsylvania University Press, 1997, A Project of the University of California Institute on Global Conflict and Cooperation.

[7] Lake and Morgan, p. 12.

[8] Patrick M. Morgan, "Regional Security Complexes and Regional Orders," in Lake and Morgan (ed.), p. 39.

Muthiah Alagappa considers order as a "purposive arrangement" that governs interaction among states "in their pursuit of individual and collective goals." Furthermore, rule-governed interaction

> makes for a predictable and stable environment in which states can coexist and collaborate in the pursuit of their national, regional, and global goals, differences and disputes can be adjusted in a peaceful manner, and change can occur without resort to violence. … Order is … a matter of degree. … [T]he key criterion of order is whether interstate interactions conform to accepted rules, not whether they sustain particular goals.[9]

Alagappa proposes three competing visions and strategies for Asia's regional order: "hegemony with liberal features, strategic condominium/balance of power, and institutionalism."[10] The first one, hegemony with liberal features, is primarily reflected by the United States, whose "vision for the Asian region is a derivative of its global vision," considers the region vital to its economic and security interests and "seeks to expand the international order rooted in Western values to make it a truly global order under its leadership."[11] The second vision and strategy of order is espoused primarily by China, which "emphasizes order among sovereign states" and stresses that "the goal of international order should be to protect state sovereignty and territorial integrity, prevent external interference in domestic affairs, and promote national prosperity and strength."[12] China also argues that a multipolar world is more stable and peaceful than a unipolar one; China is willing to cooperate with the United States in the management of regional security, but if that were not possible, it would seek to balance the United States through multipolarity and coalition. The final vision—institutionalism—is espoused by ASEAN in ways that, similar to the Chinese conception, seeks sovereignty, equality of states and non-interference. However, it differs in the means to establish an order, whether through power or norms.[13]

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[9] Alagappa, Muthiah, "The Study of International Order: An Analytical Framework," in Alagappa, *Asian Security Order: Instrumental and Normative Features*, p. 39. Stanford University Press, 2003.

[10] Alagappa, Muthiah, "Constructing Security Order in Asia: Conceptions and Issues," in Alagappa, *Asian Security Order: Instrumental and Normative Features*, p. 72. Stanford University Press, 2003.

[11] Alagappa, pp. 73-74.

[12] Alagappa, 76.

[13] Alagappa, 76-77.

One form of order that is relevant in the context of Southeast Asia, and ASEAN in particular, is "security community." This is also relevant because that regional association chose to transform security community from practice to policy.[14] This concept was developed by Karl W. Deutsch in his writings in the 1960s, which in turn was based on the study of problems of international organization in the early 1950s. A relevant sub-division is "pluralistic security community" to describe a group of nation states, usually within a confined geographic scope, that preserves "peace among the integrated political unit."[15] The way to determine the existence of a security community is to test "the subjective opinions of the political decision-makers, or the politically relevant social strata, in each country" and "with measurement of tangible commitments, and of resource allocations people make to back them up."[16]

Amitav Acharya looks at the development of Southeast Asia as a security community. According to him, this concept provides "a framework within which to examine the evolution and nature of ASEAN's political and security role and identify the constraints it faces in developing a viable regional security community."[17] Furthermore, he contends that Southeast Asia's post-Cold War relations with the major powers were transformed "from the norm of regional autonomy expressed through ZOPFAN, which had sought to exclude the great powers from involvement in the management of regional order" to an inclusive approach that kept the great powers engaged.[18] By implication, he extrapolates a transformation of regional order from one form of autonomy to another. Similarly, Yuen Foong Khong also sees Southeast Asia forming a pluralistic security community, "albeit a nascent one."[19]

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[14] The 9th ASEAN Summit in Bali, Indonesia, adopted the security community concept "to bring ASEAN's political and security cooperation to a higher plane." Part A paragraph 1 of *Declaration of ASEAN Concord II*.

[15] Deutsch, Karl W., *The Analysis of International Relations*, p. 193. Prentice-Hall, Inc., 1968.

[16] Deutsch, Karl W., *Tides Among Nations*, p. 181. The Free Press, 1979.

[17] Acharya, Amitav, *Constructing a Security Community in Southeast Asia: ASEAN and the problem of regional order*, p. 6. Routledge, 2001.

[18] Acharya, *Security Community*, pp. 195, 200-1.

[19] Yuen Foon Khong, "ASEAN and the Southeast Asian Security Complex," in Lake and Morgan (ed.), p. 320.

Acharya also argues, "Southeast Asia's international relations represent a quest for regional identity."[20] For him, identity is the result of greater homogeneity and commonality, achieved through "a diffusion of norms, policies and practices of regional organizations and associations," and is important to strengthen member countries' commitment "to present a unified front vis-a-vis the outside world."[21]

Benjamin Miller and Korina Kagan established a conceptual relationship between great power relations and regional conflicts. Their theory was constructed based on their study of the Balkans during the post-Napoleonic period until the post-Cold War era. Their thesis argues that, "variations in the degree of intensity of conflicts and the likelihood of successful conflict resolution in different regions are affected by the character of great power involvement in these regions."[22] They maintain that great powers will compete in a given region to prevent the rise of any one of them as the region's hegemon that could threaten their important interests."[23] In this framework, capabilities and interests determine the great powers' policies. Capabilities refer to overall capacity (i.e., military, economic, sociopolitical cohesiveness), including power-projection capabilities; whereas interests refer to the various stakes a great power has in a region, such as security, economic and political, and its relations with other great powers. Relations among the great powers, furthermore, are shaped by their position as status quo or revisionist states and their ideological similarity and polarity.[24] Their conceptual framework is applicable to Southeast Asia.

Robert S. Ross links U.S.-China relations to East Asia's geographic nature, arguing that "geography contributes to regional stability and order because it shapes the a priori causes of conflict: capabilities, interests, and the security dilemma."[25] In East Asia and the Pacific, the great power structure takes the form of bipolarity, namely between a

[20] Acharya, *The Quest for Identity*, p. 11.

[21] Acharya, *The Quest for Identity*, p. 10-11.

[22] Miller, Benjamin and Kagan, Korina, "The Great Powers and Regional Conflicts: Eastern Europe and the Balkans from the Post-Napoleonic Era to the Post-Cold War Era," *International Studies Quarterly*, Vol. 41, Issue 1 (Mar., 1997), p. 51.

[23] Miller and Kagan, p. 58.

[24] Miller and Kagan, pp. 61-64.

[25] Ross, Robert S., "The Geography of the Peace: East Asia in the Twenty-First Century," *International Security*, Vol. 23, No. 4 (Spring 1999), p. 117.

continental-dominant China and a maritime-dominant United States.[26] Their differing geographic nature and power projection capabilities have enforced a stable regional order, though national policies and ambitions could be destabilizing.

Most observers agree on the importance of geographic proximity. As Buzan contends, "The political structure of anarchy confronts all states with the security dilemma, but the otherwise seamless web of security interdependence is powerfully mediated by the effects of geography."[27] Furthermore, "threats operate more potently over short distances" and, therefore, security relations with neighbors tend to be more important.[28] Miller and Kagan argue that geographic proximity defines great powers' capabilities and interests. Morgan also takes into account geographic propinquity, although it does not appear in his conclusion. Southeast Asia's distinct characteristic is, as Robert Ross asserts, the geographic division between the continental Mekong sub-region that is in China's immediate neighborhood and the insular/peninsular sub-region that is in the post-Second World War period became America's sphere of influence. Morgan's contribution is his recognition that regional countries do not merely react and adjust to the great powers, as indicated in the Miller and Kagan framework, but as part of the security complex they could initiate action and call the attention of the great powers to their security concerns.

Other observers who look at regional order from the point of view of intra-regional politics do not agree. Leong H. Goh argues that "primordial fears and the quest for national prestige and power will continue to dictate the evolution of the geopolitics of Southeast Asia well into the foreseeable future … [which is] in stark contrast to the expected attitudes and behavior of political elites and masses within a tightly coupled security community." [29] N. Ganesan gives a more pointed argument, asserting that "bilateral tensions within the geostrategic core of ASEAN disprove the hypothesis that ASEAN constitutes a security community."[30]

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[26] Ross, p. 84-6.

[27] Buzan, p. 191.

[28] Buzan, p. 191.

[29] Goh, Leong H., "The Chimera of the ASEAN Regional Security Community," Thesis (Monterey: NPS, 1999), p. 107.

[30] Ganesan, N., *Bilateral Tensions in Post-Cold War ASEAN*, p. 56. Institute of Southeast Asian

2. Hypothesis

The hypothesis here is that Southeast Asia's order will increasingly be influenced by China's rise, but the region as an aggregate will preserve, if not seek to strengthen, its relations with the United States to maintain its autonomy. In other words, the region will engage a China that has come out of its isolation and has since continued to strengthen its place in East Asia. In the meantime, the regional order based on ZOPFAN will need to be reviewed and adjusted in light of the Sino-American competition and the potential of dividing ASEAN along geographic lines. This hypothesis rests on the following assumptions. First, the United States will remain a Western Pacific power and Washington will continue to regard East Asia as an area of strategic interest. Second, in this period China will not face a crisis of a magnitude that will compel it to reduce its international involvement, as it had before the mid-1970s. Third, the Taiwan issue will not spin out of control and lead to war involving the United States. Finally, in the absence of a peer competitor, partisan politics in Washington take precedence over the need to maintain close relations with other countries. Southeast Asia's role could be relevant if the regional order it develops helps to alleviate the negative impact of Sino-American strategic competition.

C. ORGANIZATION OF CHAPTERS

Chapter II reviews the evolution of Southeast Asia's regional order between 1967, when ASEAN was founded, and 1978, when Vietnam invaded and occupied Cambodia. Great power politics were characterized by a U.S. presence in mainland Southeast Asia and by Soviet and Chinese efforts to force it out, followed by Sino-American rapprochement. The second period, 1978 to 1992, saw relaxation and then heightened tension among the great powers, particularly the realignment of China and the United States and their opposition to Soviet hegemonism. The result for Southeast Asia was the further polarization of the insular/peninsular and continental sub-regions.

Chapter III looks at the grand strategy of China and the United States since the end of the Cold War and their competing interests and capabilities in East Asia. The focus is the intensifying coexistence of the two powers in the region, leading to

Studies, 1999.

competing orders and military presence, as well as their respective trading relations with Southeast Asia.

Chapter IV analyzes the evolution of Southeast Asia's order in light of ASEAN members' inward and outward orientations. It argues that the expansion of ASEAN to China's borders has potentially weakened the organization's cohesiveness, while the 1997 financial crisis has encouraged closer relations with Northeast Asia, in particular China. The fissuring of ASEAN's outlook orientation and weakening position vis-à-vis China necessitated stronger regional integration and identity.

Chapter V concludes the thesis by linking the research question and the findings. It then attempts to explore the implications of Sino-American strategic competition for Southeast Asia's regional order. The chapter offers suggestions on how all parties may strengthen the region's role as a buffer and catalyst for a stable Sino-American relationship in Southeast Asia.

II. THE EVOLUTION OF SOUTHEAST ASIA'S COLD WAR REGIONAL ORDER

The development of Southeast Asia's "region-*ness*" or regional identity and coherence over the past three decades owes much to the Association of Southeast Asian Nations (ASEAN). Before the establishment of ASEAN in 1967, little agreement or common perception existed on what constituted "Southeast Asia." The term entered the international relations lexicon during the Second World War when the British named its regional military command covering Ceylon, Sumatra, Malaya, Thailand, Burma, and Indochina as the South-East Asia Command (SEAC).[31] In the 1950s, the region was lumped together with the Far East, as reflected in the House of Representatives' Sub-committee on Southeast Asia, the Far East and the Pacific. The Chinese call the region the *Nanyang* or South Seas, reflecting the millennium-long relations based on primarily maritime trade and migration.

The region's historical variation and different colonial powers created nation-states with differing statehood processes, senses of nationalism and national purpose. Another diverging factor was the region's geographic division into the sub-continent (Mekong, consisting of Burma, Cambodia, Laos, Thailand, and Vietnam), the peninsula (Thailand, Malaysia and, for practical purposes, Singapore), and the archipelago (Brunei, Indonesia, Malaysia, Philippines, and Singapore). Finally, part of the region neighbors China, which makes it highly susceptible to great power competition. The region bore the brunt of the American strategy of containment and Chinese proxy wars during the three Indochina Wars. The insular and peninsular sub-regions grew close to the United States, which was viewed more sympathetically than China, Japan, and the Soviet Union. The United States' ties with Australia reinforced those ties. The United States actively courted non-communist Southeast Asian countries and supported their development of capitalism

[31] Acharya, Amitav, *The Quest for Identity: International Relations of Southeast Asia*, p. 34. Oxford University Press, 2000. From a purely geographical perspective, the region was identified much earlier, e.g., J. Scott Keltie in "Some Geographical Problems," *Geographical Journal*, Vol. 10, No. 3, September 1897, p. 313 [in JSTOR], talked about "the Malay peninsula and … the great array of islands in the east and south-east of Asia—Sumatra, Borneo, the Philippines" as geographical blanks to be explored.

and even authoritarianism.[32] The peninsular and insular countries' trading traditions conformed to America's capitalism and international trade regime, as did their geographic relevance to America's maritime power.

The first regional organization was the South-East Asia Treaty Organization (SEATO), initiated by the United States and Great Britain and established in Manila in 1954. Established as a reaction to developments in Indochina, the organization did not address the problem of insurgencies, which was the key security problem for most Southeast Asians, including those not in SEATO (Indonesia and Malaysia). As a foreign initiated organization, SEATO was likely to aggravate rather than alleviate internal security problems because external security support tended to weaken the government's legitimacy.[33] The United States on its part gradually shifted its position into supporting indigenous organizations, particularly after the enunciation of the Nixon Doctrine in the late 1960s. In 1961, Malaya, Thailand, and the Philippines established the Association of Southeast Asia (ASA) with the primary objectives of fighting communist insurgencies through closer economic cooperation and of developing regional self-reliance. In 1963, Maphilindo was established and consisted, as its name implies, of Malaysia, the Philippines, and Indonesia. Both the ASA and Maphilindo did not last long, primarily because of the problems surrounding the establishment of the Federation of Malaysia in 1964, which Indonesia and the Philippines opposed.[34] The establishment of ASEAN in 1967 confirmed Malaysia's status and territory even though the Philippines still contested Sabah's ownership.

A. THE PERIOD 1967-1978

Despite the failure of ASA and Maphilindo, they established some of the principles that would later guide ASEAN's work. These include ASA's design as an inclusive grouping, minimal administrative machinery, and greater regional self-reliance, as well as Maphilindo's regional-solution-to-regional-problem approach, restraint on

[32] Chia Lin Sien and Martin Perry, "Introduction," in Chia Lin Sien, *Southeast Asia Transformed: A Geography of Change*, p. 2. Institute of Southeast Asian Studies, 2003.

[33] Acharya, *The Quest for Identity*, pp. 68.

[34] Acharya, *The Quest for Identity*, pp. 78-83.

foreign military bases on their soil from subverting other members' independence, and adoption of *musyawarah* (consultation-consensus) as the basis of decision making.[35]

The strategic design of ASEAN is contained in its founding declaration of 1967, which expressed the member states' determination to "ensure their stability and security from external interference in any form or manifestation in order to preserve their national identities in accordance with the ideals and aspirations of their peoples." The declaration regarded foreign military bases as temporary, that is to "remain only with the expressed concurrence of the countries concerned and are not intended to be used directly or indirectly to subvert the national independence and freedom of states in the area or prejudice the orderly procedures of their national development." However, the declaration's operative paragraphs that defined ASEAN's actual operation avoided strategic and political issues, focusing instead on cooperation in the fields of economics, social, cultural, legal, educational, agricultural, and regional studies. As one scholar put it, ASEAN was "a diplomatic community, if of a limited kind"[36] Nonetheless, a stipulation in the declaration that the organization be open for participation to all Southeast Asian states would be instrumental in incorporating the Mekong countries in the 1990s.

In its first few years, ASEAN did not play any significant political and strategic role in regional stability since it was not in a position to mitigate the threat from China (for Indonesia and Malaysia) or Vietnam (for Thailand). Additionally, it did not have the clout and capacity to help settle the Second Indochina War. The communist bloc was suspicious of this new body, but Washington and its allies were favorable because ASEAN was favorable to their ideological and strategic position. While ASEAN's security role was limited, it did provide a forum for the foreign ministers of its members to meet regularly and to manage and prevent their disputes from becoming open conflicts. Moreover, ASEAN signified the realization that regional countries had a role to play in their destiny.

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[35] Acharya, pp. 81-83.

[36] Leifer, Michael, "The Role and Paradox of ASEAN," in Michael Leifer (ed.), *The Balance of Power in East Asia*, p. 119. St. Martin's Press, 1986.

1. ZOPFAN: Background and Constituents

The Association of Southeast Asian Nations was established during one of the greatest tensions in the region, at the height of the Vietnam War. The United States perceived this war as "*the* decisive battle that would determine whether guerilla war could be stopped and the Cold War won,"[37] leading to the deployment of around half a million troops in Vietnam between 1967 and 1970.[38] The United States also had interests in economic relations and natural resources in the region.[39] China looked at the war as an American effort to expand its military on China's periphery and to bring down the Chinese revolution and the communist regime. Beijing was simultaneously facing an increasingly threatening Soviet Union that had built up forces along its border and appeared posed to attack, particularly against China's nascent nuclear weapons program. Being a backward continental power and quite aware of its weak defenses against the American navy and air force, China threatened large-scale infantry attacks against Laos and Thailand to start a ground war with the United States which succeeded in deterring an actual war.[40] Large numbers of the People's Liberation Army personnel served in North Vietnam, to assist the Vietnamese as well as to serve as a warning to the United States of China's seriousness.

The Soviet Union was increasingly worried about China's recklessness, especially after it exploded its first atom bomb in 1964, and its growing influence in Southeast Asia through Vietnam. Moscow's reach in Southeast Asia, however, was limited because it had neither America's maritime projection capability nor China's geographical proximity; therefore, the Vietnam War presented opportunities for its regional standing. By supporting Vietnam, Moscow hoped to draw it away from China's gravity, at the same time demonstrating its role as the leader of the communist bloc. It also gave the

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[37] Kissinger, Henry, *Diplomacy*, pp. 644-45. New York: Simon & Schuster, 1994.

[38] Herring, George C., *America's Longest War: The United States and Vietnam, 1950-1975*, p. 182. McGraw Hill, 2002.

[39] Tin, natural rubber and oil, among other things, have been highlighted in various U.S. government documents spanning almost three decades; e.g., *A Report to the National Security Council by the Secretary of State on U.S Policy Towards Southeast Asia*, (NSC 51, Washington, 1 July 1949) and *US Policy Interests in the Asian-Pacific Area*, (A Study by Ambassador William R. Kintner, Department of State, 31 October 1975).

[40] Garver, John W., *Foreign Relations of the People's Republic of China*, 258, 297. Prentice-Hall, 1993.

Soviets an opportunity to test weapon systems under battle conditions. By early 1968, the Soviets had provided military assistance, including fighter planes, surface-to-air missiles (SAMs), and tanks, to the tune of 1.8 billion rubles. Three thousand Soviet technicians took direct part in the war.[41]

The members of ASEAN generally perceived China as a threat and welcomed U.S. presence, but recognized the potential danger of Sino-American hostilities and Soviet-American competition to the region's stability and identity. On 27 November 1971, the foreign ministers of the ASEAN countries (Thailand was represented by a special envoy) met in Kuala Lumpur and declared their determination "to exert *initially necessary* efforts to secure the recognition of, and respect for, Southeast Asia as a Zone of Peace, Freedom and Neutrality, free from any form or manner of interference by outside Powers." [Italics added.] This stipulation was directed against external interference, but a second one (the declaration contained only two operative paragraphs) was directed internally to strengthen inter-state relations. It states, "Southeast Asian countries should make concerted efforts to broaden the areas of cooperation which would contribute to their strength, solidarity and closer relationship." Intra-regional affairs were considered key to preventing external interference, and member states' "national resilience" was key to "regional resilience;" that is, national stability provides the basis for efforts toward the peaceful settlement of disputes among regional states and the promotion of regional stability and security.[42]

The idea of a Zone of Peace, Freedom and Neutrality (ZOPFAN) began as Malaysia's initiative aiming to create regional neutrality. The prime minister of Malaysia, speaking before the non-aligned summit in 1971, proposed that Southeast Asia be neutralized under the guarantee of China, the United States, and the Soviet Union as Asia's three principal powers. The proposal itself was not a novel idea. Some countries, such as Burma, Laos, and Cambodia, were already seeking neutrality at the national level. At the regional level, the U.S. Senate's Committee on Foreign Relations in 1966 had already conducted a study and issued a report entitled *Neutralization in Southeast*

[41] Herring, 176-77.

[42] Acharya, Amitav, The Quest for Identity: International Relations of Southeast Asia (Singapore: Oxford University Press, 2000), 110-11.

Asia: Problems and Prospects. Malaysia itself conducted internal discussions in 1968 anticipating British withdrawal from Malaysia and Singapore.[43]

However, three interrelated issues inhibited regional neutrality. First, some countries had problems with neutrality. Indonesia was not ready to give policing rights to external powers, Singapore was not prepared to embrace strict neutrality because of its reliance on an outside security guarantee, and the Philippines had not seriously contemplated closure of American bases on its soil. Second, China, the United States, and the Soviet Union would have to respect and guarantee the status and integrity of the region's neutrality; nevertheless, none of them was prepared to forego their rights in the region, particularly the strategic waterways. They also had some kind of security relationship with one or more regional countries. Third, agreeing on the meaning of "interference" was difficult.[44] Nonetheless, neutrality was attractive because of national precedence.

The other element of ZOPFAN is the "zone of peace" (ZOP) concept. Different from neutrality, which presumes the agreement of and political arrangements with external powers, ZOP is more of a legal and normative concept that does not necessarily need external endorsement at the initial stage. The idea of ZOP originated in proposals for Nuclear-Weapon-Free Zones (NWFZs) in various regions, endorsed by the non-aligned summit in Cairo in 1964. The non-aligned summit in Lusaka in 1970 endorsed the idea of the Indian Ocean as a Zone of Peace (IOZP), which was subsequently adopted by the United Nations General Assembly as the "Declaration on the Indian Ocean as a Zone of Peace."[45] The declaration called upon the great powers to consult with littoral states, to halt the escalation and expansion of their military presence in the Indian Ocean, and to eliminate their military bases and other installations. The region's dominant maritime powers (the United States, the Soviet Union, and Great Britain) disregarded the

[43] Subedi, Surya P., *Land and Maritime Zones of Peace in International Law*, p. 107. Oxford University Press, 1996.

[44] Wilson, Dick, *The Neutralization of Southeast Asia*, pp. 8-18. Praeger Publishers, 1975.

[45] United Nations General Assembly Resolution 2832 (XXVI) of 16 December 1971.

declaration through citing rights granted by the UN Charter for self-defense and collective security, as well as by international law regarding freedom of navigation and overflight of international waters.[46]

The third element of ZOPFAN is "freedom." Unlike the earlier elements that have legal-normative precedents in international relations, this element should be understood in the context of historical experiences, particularly colonialism and external interference in domestic political affairs. This element was also the result of Indonesia's distrust of external powers, including China, the Soviet Union, and the West. Therefore, ASEAN established a Committee of Officials on Neutralization, which in its meetings in May and July 1972 stressed non-interference, sovereignty, and mutual benefit as key concepts to freedom. The committee formulated the definition of freedom as

> the freedom of States from control, domination, or interference by other States in the conduct of their national and external affairs. This means the right of zonal States to solve their domestic problems in terms of their own conditions and aspirations, to assume primary responsibility for the security and well-being of the region and their regional and international relations on the basis of sovereign equality and mutual benefit.[47]

In practice, no agreement existed on how to achieve freedom. Indonesia and Malaysia considered freedom in the context of regional autonomy. The Indonesian president, Suharto, described his country's vision in 1973: "What we want is the birth of a new Southeast Asia that can stand on its own feet and not let its future be decided by outside powers. Such a Southeast Asia, where there is no conflict, no suspicious feeling, and no foreign intervention, would be able to make a positive contribution to world peace."[48] This is the idealist's "inward" view of regional freedom, which stood in contrast to the realist's "outward" version. The latter's main proponent, Singapore, which initially opposed establishing ASEAN because of its perception of primary threat from within the region (Indonesia and Malaysia) rather than from the great powers, preferred to have all the great powers present in the region. In 1974, Singapore's prime minister, Lee Kuan Yew, remarked that it was necessary

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[46] Subedi, pp. 1-14

[47] Quoted in Wilson, p. 31, and Subedi, p. 111.

[48] Quoted in Wilson, p. 56.

> to strike a balance between the growing Soviet capacity, Japan's interest in free passage through Southeast Asian waters and open trade with the region, the legitimate interests of China, and the continuing global interest of the United States in ensuring that "no major or super power exerts an overwhelming pressure on any single important part of the world, and that includes Southeast Asia."[49]

For Singapore, a combination of capable indigenous defense forces and friendly alliances with many countries having a stake in its security, prosperity, and integrity is the best guarantee for national and regional security.[50] For example, even though it was clearly in the Western camp, from November 1971 Singapore provided services and repairs for Soviet fishing and naval auxiliary vessels. [51] This sets the pattern for Southeast Asia's regional order, which would oscillate or combine the idealism of excluding the great powers and the pragmatism of engaging all of them. Apparently, however, both approaches work best in tandem.

The United States supported ASEAN's establishment. Secretary of State Dean Rusk commented,

> this new organization might be the first of its kind; a regional alliance in American interests but without the need for American intervention. As such, it would be much better than a follow-on to SEATO ... ASEAN would be a force for stability on its own that even the communist countries of Asia might want to join and that would be a better guarantee against future wars than continuing to have to fight them.[52]

Nonetheless, Washington was not enthusiastic about ASEAN's neutralist tendency and was instrumental in toning it down. American officials and experts argued that Southeast Asia's neutrality would create momentum for the neo-isolationists in Washington and that it ran counter to America's interest as the leading maritime nation in and the economic partner of the region.[53] The Soviet Union accepted Southeast Asia's neutrality on condition of agreement by the other powers to create a level playing field that would

[49] Quoted in Wilson, pp. 83-84.

[50] Nair, K.K., *ASEAN-Indochina Relations Since 1975: The Politics of Accommodation*, p. 18 Australian National University Central Printery, 1984.

[51] Buszynski, Les, "The Soviet Union and Southeast Asia since the Fall of Saigon," *Asian Survey*, Vol. 21, Issue 5 (May, 1981), p. 539.

[52] Goodman, Allan E., "Vietnam and ASEAN: Who Would Have Thought it Possible?" *Asian Survey*, Vol. 36, Issue 6 (June 1996), p. 592. Goodman paraphrased the comment as he recalled it.

[53] Wilson, pp. 29, 103-07.

strengthen the Soviet position. In any case, Moscow had to ensure that Southeast Asian waters remained open for Soviet shipping between the two ends of its Eurasian landmass.[54] China was more receptive to ZOPFAN because it had the least use for the sea-lanes of communication and it was interested in the removal of American bases from the region and the obstruction of Soviet advances. Furthermore, ZOPFAN would serve as Beijing's buffer against the other great powers. In 1973, Prime Minister Lee Kuan Yew observed , "[t]he only power that has responded [affirmatively] is China, but it is not yet in a position to guarantee it," and concluded, Southeast Asians "have to guess what China's willingness to guarantee neutrality will be when it has a blue water fleet that can police the straits of Southeast Asia, the South China Sea and the Indian Ocean."[55]

Legally and politically, ZOPFAN was significant as well. ZOPFAN was "a radical step in the annals of international law and practice"[56] and it provided the legal and normative basis or code of conduct for managing intra-regional affairs. At its first summit in Bali in 1976, ASEAN adopted the Treaty of Amity and Cooperation in Southeast Asia (TAC), which contains two main elements for the conduct of regional politics. The first is the principles for regional cooperation, such as mutual respect for the independence, sovereignty, equality, territorial integrity and national identity; non-interference; peaceful settlement of disputes; and, non-use or threat of force. The second element is the High Council, a mechanism for peaceful settlement of disputes comprising representatives at the ministerial level from each state. The treaty was open for accession by *all* Southeast Asian states, not just ASEAN members.

The political significance of ZOPFAN lies in the agreement to develop a regional order and identity, even though the ASEAN countries differed on the method of achieving it due to differing security concerns. Nevertheless, ZOPFAN was a way to strike a new regional balance to mitigate the withdrawal of the United States from Indochina and Thailand and the United Kingdom from Malaysia and Singapore, as well as the possibility of China and the Soviet Union filling the vacuum. Additionally, ZOPFAN implied a commitment to peaceful relations among the ASEAN states,

[54] Wilson, pp. 111-13.

[55] *The Straits Times*, Singapore, 6 August 1973, quoted in Nair, p. 21.

[56] Subedi, 115.

including peaceful resolution of differences and disputes. Territorial disputes, for example, remained a big problem because many boundaries had not yet been delineated by the colonial powers. In the case where boundaries had been determined , the newly independent states did not agree to them.[57] Maritime boundaries had been the most difficult not only because of the Southeast Asian governments' decision to postpone territorial negotiations for various reasons, but also because they had to wait for the promulgation of the UN Convention of the Law of the Sea in 1984 as the basis for settlement.

2. Vietnam and the Sino-American-Soviet Triangle

Vietnam and Indochina's security is directly tied to China as its largest and over-bearing neighbor and Hanoi's relations with other major powers, such as the Soviet Union, were important to balance China. Hanoi was acutely aware that even during times of close relations, China was willing to sacrifice Vietnam's interests for the sake of its own. One of Vietnam's early experiences was the 1954 Geneva Conference, which saw China's support for Vietnam's partition. Chinese Premier Zhou Enlai was reported to have said to the French delegation in Geneva,

> Indochina should be cut into four zones. Ho [Chi Minh] will be allowed to keep North Vietnam, of course. But Laos and Cambodia should stay independent … and continue as members of French Overseas Union. The South of Vietnam should be partitioned off. A separate government could be formed there. We could talk of eventual unification by elections … but China would not mind if this unification did not actually occur. [58]

Hanoi rejected the division, and in December 1960, it established the National Liberation Front of South Vietnam to reunify Vietnam. China again supported Hanoi's drive, which represented a fundamental shift from its position before 1960 of not supporting Vietnam's unification.[59] Premier Zhou Enlai perceived the overall U.S. strategy as triple

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[57] An elaboration on territorial disputes in former colonies is provided by Stephen A. Kocs, "Territorial Disputes and Interstate War, 1945-1987." *The Journal of Politics*, Vol. 57, No. 1, February 1995. A list of Southeast Asian territorial disputes is provided in *Asia and Oceania Today: Current Territorial Disputes*. Massachusetts: 1995. See also Vivian Louis Forbes, "Geopolitical Change: Direction and Continuing Issues," in Chia Lin Sien, pp. 70-80.

[58] Kenny, Henry J., *Shaddow of the Dragon: Vietnam's Continuing Struggle with China and the Implications for U.S. Foreign Policy*, pp. 42-43.Brassey's, 2002.

[59] Addis, 100-2.

encirclement of China, which failed in Korea but remained in Taiwan and now in Vietnam.[60] China provided both men and materiel to support Vietnam's objectives in this Second Indochina War against the United States. According to John Garver, by 1966 China had deployed around 50,000 of its troops to North Vietnam to man anti-aircraft guns, carry out logistic work, and repair rail lines destroyed by U.S. bombing. Moreover, "[b]etween October 1965 and October 1968 (when PLA forces were withdrawn), a total of 320,000 Chinese troops served in North Vietnam, with the annual maximum reaching 170,000."[61] Vietnam was taking advantage of both China and the Soviet Union in its war efforts. However, the 1972 Sino-American rapprochement changed Hanoi's calculations.

Shortly after President Richard Nixon's visit to China in 1972, according to his National Security Adviser Henry Kissinger, "Sino-American relations had moved from strident hostility and isolation to *de facto* alliance against the pre-eminent [Soviet] threat."[62] Beijing was induced by the border clashes with the Soviet Union in 1969 and by America's decreasing threat in Southeast Asia, as well as a need to preempt possible U.S.-Soviet détente and their collusion against China.[63] Rapprochement enabled Beijing to shake off its diplomatic isolation, including establishing relations with Japan in 1972 and a number of ASEAN members—Malaysia in 1974, and the Philippines and Thailand in 1975. This process was preceded by Beijing's United Nations representation, replacing Taiwan in 1971.

The United States also gained respite from its Cold War struggle with the Soviet Union, reflected in the Nixon-Brezhnev summit in May 1972, followed by the conclusion of the nuclear limitations agreement and again by summits in 1973 and 1974. During this period, however, the Soviet Union intensified its naval presence in the region and established a closer relationship with the Indochina countries. In 1969, Moscow proposed a collective security system in Asia, known as the Brezhnev Doctrine, but it did not receive the support of ASEAN countries. These countries were concerned about giving

[60] Whiting, Allen S., "China's Use of Force, 1950-96, and Taiwan," *International Security*, Vol. 26, No. 2 (Fall 2001), p. 114.

[61] Garver, p. 298.

[62] Kissinger, pp. 720-29.

[63] Garver, pp. 74-78.

Moscow a security role that would ran counter to ASEAN's regional design "to strengthen regional independence and avoid having this area become a regional cockpit"[64] and, at the same time, possibly offend the Chinese against whom the doctrine was aimed.[65] In place of the unsuccessful doctrine, the Soviets concluded bilateral friendship treaties with Laos (1977), Cambodia and Vietnam (both in 1978), and provided military aid and advisors to them. This decade saw an increasing presence of the Soviet Navy, culminating with the establishment of Soviet military bases in Vietnam.

The 1972 Sino-American rapprochement encouraged Hanoi to move closer to Moscow,[66] both to protect its unification efforts and to guard against China. Hanoi was also concerned with China's forceful occupation of the Paracel Islands in 1974 and with developments in Cambodia, particularly the aggressive behavior of the China-backed Khmer Rouge regime. Since the mid-1950s, Hanoi had recognized China's claim of these islands (and the rest of the South China Sea), but it later withdrew that recognition and in 1975 also laid claim to the Paracels and the Spratlys, drawing bitter responses from Beijing.[67] After wooing Hanoi after 1975 by offering both diplomatic and economic support and with the advent of a growing Sino-American-Japan axis in 1978, on November 3, 1978 Moscow and Hanoi signed a Treaty of Friendship and Cooperation.[68] In that year, Sino-Vietnamese disputes broke out over issues of their common border and ethnic Chinese in Vietnam. For Hanoi, the 1978 treaty was "an attempt to deter China from military retaliation in response to its planned invasion of Cambodia."[69] The treaty provided a basis for the deployment of Soviet military ships and aircraft in Cam Ranh Bay after March 1979. This deployment aggravated Vietnamese and Soviet relations with China and ASEAN countries.

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[64] Supposedly said by President Suharto of Indonesia, as reported by *New York Times*, 18 March 1973, quoted in Wilson, p. 41.

[65] Leifer, Michael, *Dictionary of the Modern Politics of Southeast Asia*, p. 31. Routledge, 1995.

[66] Addis, Sir John, "Indochina: An Arena of Conflict," in Michael Leifer (ed.), *The Balance of Power in East Asia*, p. 104. St. Martin's Press, 1986.

[67] Hyer, Eric, "The South China Sea Disputes: Implications of China's Earlier Territorial Settlements," *Pacific Affairs*, Vol 68, Issue 1 (Spring, 1995), 36-37. China also reacted strongly when the Philippines occupied a number of islets in the Spratlys, but softened its position after diplomatic relation was established in 1975.

[68] Nair, 114.

[69] Leifer, *Dictionary of the Modern Politics of South-East Asia*, p. 239.

Beijing's response was an extension of Sino-Soviet tensions and linked to other conflict areas, particularly Afghanistan. In May 1978, Beijing downgraded its own relations with Vietnam and escalated its military presence along their border. In July 1978, Beijing cautioned ASEAN that Vietnam and not China was the real threat. In November 1978, Vice Premier Deng Xiaoping visited Thailand, Malaysia and Singapore and voiced concern over the Soviet-Vietnam Treaty of Friendship and Cooperation. Prior to Deng's visit, in October 1978, the Soviet Union had dispatched Vice Foreign Minister Nikolai Firyubin to visit the Philippines, Indonesia and Thailand to give a positive assessment of ASEAN's regional order concept (ZOPFAN) without supporting it. One of his objectives was to allay fears that the Hanoi-Moscow alignment could be directed against ASEAN.[70]

3. Efforts to Expand ZOPFAN to Indochina

The ASEAN Declaration reflected the concern that Southeast Asia was being divided, and regional developments confirmed the existence of two orders, namely ASEAN's ZOPFAN in the maritime sub-region and Vietnam's hegemony in the Indochina sub-region. In Indochina, three important developments occurred in the mid-1970s: the unification of Vietnam in 1975 and the subsequent establishment of the Socialist Republic of Vietnam in 1976, the overthrow of the Lon Nol regime by the pro-China Khmer Rouge in Cambodia, and the Pathet Lao's rise to power in Vientiane. These developments were to some degree functions of Sino-Soviet competition, while ASEAN was clearly concerned at the prospects of renewed regional instabilities caused by communist insurgencies. Strategically, moreover, the domination of Indochina by Vietnam—supported by the Soviet Union and opposed by China, which supported the Khmer Rouge—upset the envisioned order of ASEAN that would moderate great power competition.

The regional association's summit in Bali in 1976, as one scholar put it, was important "as a display of solidarity and collective nerve in the close wake of the success of revolutionary communism in Indochina." The summit adopted a political role for

[70] Nair, pp. 99-105.

ASEAN,[71] whereby ZOPFAN was recognized for the first time as an ASEAN enterprise (the 1971 Kuala Lumpur meeting was not formally an ASEAN meeting). The summit also decided that the member countries would perform security cooperation only on a non-ASEAN basis, therefore rejecting a collective defense role for the regional body. On their part, Vietnamese leaders saw the organization as pro-American and rejected ASEAN's effort to extend ZOPFAN to Indochina, although they made efforts to strengthen diplomatic relations on the bilateral level. Hanoi also sought to establish relations with Washington, which Indonesia and Malaysia supported in order to reduce Vietnam's dependence on the Soviet Union and ease tension with ASEAN.[72] The following year, ASEAN held its second summit in Kuala Lumpur, which was signified by the presence of the prime ministers of Japan, Australia and New Zealand, as a recognition and enhancement of ASEAN's regional standing. The United States began meeting with ASEAN at the senior officials level in September 1977.

In July and September 1978, Vietnam's high-ranking officials visited ASEAN countries to reach a political agreement on friendship, including a non-aggression pact with Thailand. This mission failed to reach that objective although it came to a common understanding with ASEAN countries on the need to strengthen trading relations. Vietnam also proposed establishing with ASEAN a "Zone of Peace, Independence and Neutrality" to stress the exclusion of external powers in regional affairs. However, it did not receive a favorable response. Other than suspecting Hanoi's motive, ASEAN also wanted to avoid offending Beijing, which had supported ZOPFAN.[73] On December 25, 1978, Vietnam invaded and occupied Cambodia, opening up a completely new chapter in great power and regional politics.

B. THE PERIOD 1978-1992

Over the next one and a half decades, Southeast Asia witnessed not only great power tensions and regional conflicts, but also an underlying competition between

[71] Leifer, *Dictionary of the Modern Politics of Southeast Asia*, p. 56.

[72] Nair, p. 101.

[73] Nair, pp. 99-105.

differing concepts of regional order, particularly between alignment, on the one hand, and autonomy and engagement on the other.

1. Sino-American Opposition to Soviet Hegemonism

Vietnam's invasion of Cambodia, the Iranian revolution, and the Soviet invasion of Afghanistan in 1979 created international crises and reflected worsening relations between the United States and China on one side, and the Soviet Union on the other side. President Jimmy Carter abandoned détente and his successor President Ronald Reagan carried out a huge military buildup and challenged the Soviet Union at strategic geographic points. East Asia was a focus of U.S. strategy, out of the need to protect Japan and East Asia's sea-lanes of communications from increased Soviet naval presence and activities. America also had to protect its economic interests in the region. America's trade with East Asia had since the early 1970s surpassed its cross-Atlantic trade, accounting for around 30% of total American trade, while its investments in the region surpassed $30 billion.[74]

America's Soviet policy included building closer relations with China, with whom it established diplomatic relations in 1979, strengthening forwardly deployed military forces, and supporting ASEAN's role in the Third Indochina War. The most serious hurdle to Sino-American relations was the U.S. policy toward Taiwan. Washington agreed to the "three conditions" that Beijing had demanded since 1975: withdrawal of U.S. military forces from Taiwan, severance of diplomatic relations with Taipei, and termination of U.S.-Taiwan mutual security treaty of 1954. Washington, however, insisted on maintaining the right to supply arms to Taiwan and "acknowledged" (as opposed to "recognized") China's claim over Taiwan. Both sides faced difficulties in establishing relations, including opposition from their respective hardliners. However, the Soviet threat was sufficient to satisfy the domestic constituents of the need for improved relations and, subsequently, for American sales of dual use technology and non-lethal weaponry, and for European arms sales.[75]

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[74] Simon, Sheldon W., "The Great Powers and Southeast Asia: Cautious Minuet or Dangerous Tango?" *Asian Survey*, Vol. 25, Issue 9 (Sep., 1985), p. 920.

[75] Garver, pp. 90-92.

The Soviet occupation of Afghanistan and the Iran-Iraq war triggered American responses to the heightened tensions and to the need to protect the supply of oil. The renewed tensions increased the strategic value of Southeast Asia's waters for the American Cold War efforts and particularly for its naval movements. The Reagan administration implemented a "horizontal escalation" deterrence strategy that linked and balanced Soviet continental superiority in Europe, which was the primary threat, with American maritime superiority in the Pacific. In August 1986, the U.S. Navy implemented its new "Maritime Strategy" by conducting simultaneous exercises in the Northern Pacific, around the Kamchatka Peninsula and the Sea of Japan, and the Norwegian Sea, all of which were in the proximity of Soviet military bases that forced Soviet ships to stay close to home.[76] In the early 1980s, the American strategy was paralleled by continuing Sino-Soviet tensions that tied down Soviet Far East forces. A State Department senior official gave positive testimony about China in 1981: "Our security and that of Japan, South Korea and our ASEAN friends have been demonstrably enhanced by the growth of close U.S.-China ties … In short, the U.S.-China relationship is a major component in our global and regional security policies."[77] In this period, no significant American military assets were permanently based in Southeast Asia; rather, the U.S. bases in the Philippine (Clark Air Field and Subic Bay) stored, trained, and repaired ships and aircraft, and provided the infrastructure for surge capability should the need arise. The U.S. Navy trained regularly with regional navies.[78] In diplomacy, Washington supported ASEAN's efforts to deny recognition of Vietnam's occupation of Cambodia and its puppet government while reaffirming the U.S.-Thailand security alliance.

China's primary security concern was with Soviet's strategic encirclement, with Vietnam and Afghanistan added to the Soviet military presence in Mongolia and its

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[76] Vistica, Gregory L., *Fall from Glory: The Men Who Sank the U.S. Navy*, pp. 215-18. Simon & Schuster, 1995.

[77] Testimony by John H. Holdridge, Assistant Secretary of State for East Asia and Pacific affairs, before the House Committee on Foreign Affairs Subcommittee on Asian and Pacific Affairs, 16 July 1981. Quoted in Kennedy, Scott, *China Cross Talk: The American Debate over China Policy since Normalization*, pp. 25-26. Rowman & Littlefield Publishers, Inc., 2003.

[78] Simon, Sheldon W., "U.S. Interests in Southeast Asia: The Future of Military Presence," *Asian Survey*, Vol. 31, Issue 7 (Jul., 1991), p. 668.

security cooperation with India. Southeast Asia was therefore an important strategic consideration in Beijing. The acting chief of China's Liaison Office in Washington, in a discussion with the American National Security Advisor in 1977, gave his country's assessment of Southeast Asia's political situation:

> The Vietnam's situation constitutes a part of the Soviet Union's global strategy … [Vietnam] desires to be not only the chief of the Indochina federation but to become the chief of all of Southeast Asia … to replace the ASEAN organization and thereby achieve its ambition. As a matter of fact, this represents a copy of the Soviet collective security system idea for Southeast Asia. … We consider the Vietnam situation to be more serious than Afghanistan.[79]

Beijing, thus, welcomed the renewed American containment and armed buildup. American cooperation also facilitated China's military incursion into Vietnam in 1979 to teach Hanoi "a lesson," which the United States did not oppose and tacitly encouraged. However, in spite of the close relationship with the U.S. and its allies in an anti-Soviet front, Beijing was deeply angered by the Taiwan Relations Act of 1979 and the continued American arms sales to Taiwan. Moreover, China was facing continued Soviet pressure, including threat of nuclear attack. Therefore, in 1982 China decided to reorient its relations with the superpowers and declared its "independent foreign policy," stressing that it "never attaches itself to any big power or group of powers, and never yields to pressure from any big power."[80] Beijing began to search for ways to improve relations with the Soviet Union but insisted that Moscow fulfill Beijing's conditionalities, known as the "three obstacles": to pressure Vietnam to withdraw from Cambodia, to withdraw from Afghanistan, and to withdraw its military from Mongolia and reduce its forces along their border.[81]

Moscow, for its part, was interested in improving relations with Beijing to counter America's aggressive military policy and buildup. The expansion of the U.S. Navy and its "Maritime Strategy" had prevented any consolidation of earlier Soviet strategic gains, such as its naval deployment in the South China Sea. Different from the

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[79] Memorandum of Conversation, Summary of Dr. Brzezinski's Meeting with Ambassador Han Hsu, White House, 2 August 1977, pp. 5-7.

[80] *Report to the 12th National Congress of the Communist Party of China*, Hu Yaobang, 1 September 1982.

[81] Garver, pp. 100-01.

American naval presence in the West Pacific, the Soviets had no meaningful economic relations with the region to provide a reliable basis for political and logistical support to its naval presence, thereby creating a strategic weakness. Table 1 below shows that Soviet trade with Southeast Asia was negligible, especially when compared to American regional trade and growing Chinese trade. Instead, Soviet naval projection was limited to threatening American and Japanese interests and thus—by extension—regional countries as well. Moreover, Moscow had to support Vietnam economically and militarily, including its military campaign in Cambodia that was estimated to cost $4-6 billion per year.[82] This support also earned Moscow the ASEAN countries' distrust.

After taking office in 1985, Mikhail Gorbachev took steps to change Moscow's strategy. In a speech on July 28, 1986 in Vladivostok, the Soviet Far East city selected to symbolize Moscow's new Asia-Pacific posture, Gorbachev indicated his country's willingness to address the "three obstacles." He also revived the idea of Asian collective security, first put forward by Brezhnev in 1969. Beijing welcomed the speech; in fact Sino-Soviet relations were already improving with increasing trade and people-to-people exchanges. However, other East Asian capitals were unenthusiastic about the revived Brezhnev doctrine because of the continued Vietnam occupation of Cambodia.[83] After the Vladivostok speech, the Soviet Union withdrew from Afghanistan and Mongolia and pressured Vietnam to leave Cambodia.

2. Polarization of Southeast Asia

Closer Sino-American cooperation against the Soviet Union reinforced Southeast Asia's division, which Sino-American hostilities in the 1960s had helped to create. The initial reaction by ASEAN the occupation of Cambodia was to rely on the great powers by placing its hopes on United Nations Security Council intervention. ASEAN's foreign ministers, meeting in Bangkok on 12 January 1979, "welcomed the decision of the United Nations Security Council to consider without delay the situation in Indochina, and strongly urged the Council to take the necessary and appropriate measures to restore

[82] Acharya, p. 118.

[83] Buszynski, Leszek, "International Linkages and Regional Interests in Soviet Asia-Pacific Policy," *Pacific Affairs*, Vol. 61, Issue (Summer, 1988), pp. 220-23.

peace, security and stability in the area."[84] The Security Council could not decide on a course of action because of disagreements among its permanent members. Therefore, with the support of the UN Secretary-General, ASEAN would henceforth lead the diplomatic efforts regionally and internationally.

In its efforts, ASEAN maintained a consistent position: total withdrawal of foreign forces, self-determination and national reconciliation, support for the Coalition Government of Democratic Kampuchea under Prince Norodom Sihanouk, and the willingness to consult with all parties concerned on a comprehensive political settlement. China and the United States supported this position throughout the 1980s. However, a closer look at the efforts of ASEAN reveals two sides to its diplomatic efforts, which could be considered corollaries to ASEAN's realist-idealist or outward-inward approaches to great power politics of the 1970s. On the one side, Singapore led diplomatic efforts in the United Nations, having a direct interest in resisting any kind of occupation of a smaller country by a larger neighbor. It was highly effective in forging a consensus within ASEAN and the United Nations General Assembly as far as the occupation was concerned. Thailand, whose security was directly threatened by Vietnam, sought closer security relationships with China and the United States. The first diplomatic success by ASEAN took the form of convening the International Conference on Cambodia in New York in July 1981 under the auspices of the UN secretary-general; nonetheless, it failed to bring Vietnam and the Soviet Union to the negotiating table. This problem was compounded by Chinese-ASEAN disagreement over the nature of the political settlement. China, supported by the United States, rejected the proposal for an interim administration before the holding of UN-supervised elections.[85]

On the other side of ASEAN's diplomacy were efforts to address Vietnam's security concerns and, therefore, to limit the impact of great power politics. Indonesia and Malaysia, which perceived China rather than Vietnam as the greater threat, maintained relatively less hostile attitudes toward Vietnam. In 1980, President Suharto of Indonesia and Prime Minister Datuk Hussein Onn of Malaysia issued the Kuantan Statement, which

[84] Joint Statement by the Special ASEAN Foreign Ministers Meeting on the Current Political Development in the Southeast Asia Region, Bangkok, 12 January 1979.

[85] Leifer, p. 117.

"envisaged Vietnam free of the influence of both China and the Soviet Union and which also took account of Vietnam's security interests in Indochina."[86] The statement was consistent with Indonesia's position regarding the region's freedom (from external interference) and Malaysia's position on neutrality. Thailand, however, rejected the statement and it was, thus, not openly pursued by Indonesia and Malaysia in order to maintain ASEAN solidarity. China and the United States were not supportive of this approach either because they were primarily concerned with Vietnam's withdrawal from, and not its security interests in, Cambodia.[87]

Indonesia's stance in the long run moderated the Singaporean and Thai approach and proved to be instrumental in searching for a solution in the late 1980s, as well as Vietnam's ASEAN membership in 1995, since this approach accommodated Vietnam's security concerns. With ASEAN's backing, Jakarta hosted a series of dialogues in 1988-89 of all the involved parties and concerned regional countries, known as the Jakarta Informal Meetings (JIMs). The basis for these dialogues was the "Ho Chi Minh City Understanding" of July 1987 between the foreign ministers of Vietnam and Indonesia, the latter functioning as the ASEAN interlocutor on Cambodia. The understanding devised a two-stage dialogue, first among the Cambodian factions and, subsequently, between the Cambodians, Indonesia, Vietnam and other concerned countries. The informal meetings made progress because they took place during a period of relaxed tensions among the great powers and, particularly, in Sino-Soviet relations, which permitted improved Sino-Vietnamese relations. The positive international atmosphere, combined with ASEAN's diplomatic groundwork, prepared the way for the Paris International Conferences held in July-August 1989 and October 1991. The 1991 conference approved a comprehensive political settlement to the conflict and agreed, among other things, on Cambodia's neutrality. This reaffirmed Cambodia's position in the 1960s before being compromised by the great powers during the Second Indochina War. Cambodia's newly won neutrality was also the outcome of ASEAN's sensitivity to Vietnam's security concerns represented in the Ho Chi Minh City Understanding.

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[86] Leifer, p. 135.

[87] Memorandum of Conversation between Assistant Secretary of State Richard Solomon and Ambassador Vladimir Polyakov, Moscow, 29 May 1988, p. 5.

The Cambodian problem caused uncertainty about ASEAN's concept of the regional order of ZOPFAN. At the annual ASEAN foreign ministers' meetings in 1976-78, ZOPFAN had been mentioned primarily as the regional framework to address great power politics. Between 1978 and 1980, ZOPFAN became the foreign ministers' rallying point to limit external interference and to appeal to Vietnam's security interests. Between 1981 and 1983, ZOPFAN was either not referred to in the foreign ministers' communiqué or mentioned only briefly in the context of Indochina. Beginning in 1984 onwards, ZOPFAN again became one of the central themes of the ASEAN foreign ministers' meeting, but no longer for regional autonomy since ASEAN cooperated with China and the United States on the Cambodian issue. In 1985-88, the Cambodian problem was consistently described as an "impediment" or "obstacle" to the early realization of ZOPFAN. Meanwhile, the foreign ministers in 1984 in Jakarta agreed to revive the Working Group on ZOPFAN and to study the possibility of establishing a Nuclear Weapons Free Zone in Southeast Asia (NWFZ). The NWFZ concept had been a central element of the ZOPFAN Declaration (1971); however, it was not pursued. In 1987, ASEAN began the drafting of a NWFZ treaty, a process which continued until its adoption in 1995.

Vietnam's withdrawal from Cambodia, which began in 1988, and the subsequent resolution of the Cambodian problem not only involved great power relations and took place at the beginning of the end of the Cold War, but also signified the assent of ASEAN's approach to regional order. This order is characterized by greater autonomy from the major powers through the reduction of their direct security involvement—though not necessarily overall engagement—in regional affairs. The end of the Cold War, however, brought forward another question: how should the region deal with America's preeminence and China's rise? The next chapter will deal with Sino-American post-Cold War relations.

Table 1. Trade Statistics between Southeast Asia and China, the United States, and the Soviet Union, 1971-1992 (in US$ million)[88]

			1971			1972			1973			1974			1975		
			China	U.S.	U.S.S.R.	China	U.S.	U.S.S.R.	China	U.S.	U.S.S.R.	China	U.S.	U.S.S.R.	China	U.S.	U.S.S.R.
Insular/Peninsular Subregion	Brunei	x	…	…	…	…	14.7	…	…	20.8	…	0.1	50.8	…	…	74.4	…
		m	2.5	35.3	…	3.1	20.4	…	6.9	23.4	…	5.1	37.5	…	4.9	61.8	…
	Indonesia	x	…	192.4	10.2	…	265.3	6.7	0.4	465.4	5.7	…	1,580.3	26.0	…	1,866.0	26.0
		m	27.6	174.1	12.4	39.0	242.9	5.7	48.8	512.6	2.9	113.9	609.8	12.8	204.0	670.0	37.0
	Malaysia	x	18.2	208.0	49.8	27.1	237.8	36.4	80.7	322.9	102.7	87.1	595.4	175.0	52.0	612.0	103.0
		m	66.1	96.7	3.6	69.0	144.5	4.0	147.6	205.0	6.8	195.4	397.3	4.2	149.0	377.0	5.0
	Philippines	x	…	452.9	…	2.7	434.2	1.2	6.6	686.7	7.9	13.4	1,133.1	18.4	23.0	663.1	10.4
		m	…	330.6	…	1.7	352.1	…	24.3	506.7	0.9	27.0	828.8	…	50.8	816.6	0.3
	Singapore	x	15.2	207.4	7.9	20.4	337.5	10.0	53.1	622.8	18.3	51.3	862.6	19.2	41.0	746.0	54.0
		m	132.9	360.1	1.6	141.9	476.4	1.4	236.1	777.6	3.9	264.6	1,174.4	7.4	286.0	1,279.0	8.0
Sub-Total			262.5	2,057.5	85.5	304.9	2,525.8	65.4	604.5	4,143.9	149.1	757.9	7,270.0	263.0	810.7	7,165.9	243.7
Growth Rate						16%	23%	-24%	98%	64%	128%	25%	75%	76%	7%	-1%	-7%
Share of Subregion			94%	78%	26%	73%	79%	9%	44%	85%	9%	44%	84%	21%	60%	88%	10%
Mekong Subregion	Cambodia	x	…	…	…	…	…	…	…	…	…	…	…	…	…	…	…
		m	…	…	…	…	…	…	…	…	…	…	…	…	…	…	…
	Lao PDR	x	…	…	…	…	…	…	…	…	…	…	…	…	…	…	…
		m	0.1	6.2	0.8	…	7.4	0.7	…	4.0	0.2	…	3.1	0.1	…	4.0	…
	Myanmar	x	0.5	0.2	1.5	0.7	3.3	3.2	1.8	0.2	0.6	3.6	1.2	0.4	16.4	0.5	0.6
		m	11.2	5.6	2.6	13.4	6.1	4.7	19.5	3.7	2.5	19.1	5.4	4.2	20.5	29.2	4.3
	Thailand	x	…	108.9	6.0	…	136.4	3.4	…	158.4	3.3	0.2	193.7	18.7	19.2	244.0	9.7
		m	…	183.3	3.8	…	232.6	3.5	…	270.9	2.4	4.5	424.2	7.2	16.9	471.5	8.8
	Vietnam	x	…	0.3	162.0	64.0	0.7	542.0	690.0	2.2	1,195.0	807.0	9.3	609.0	304.0	6.6	1,836.0
		m	5.0	272.0	61.0	35.0	284.2	101.0	68.0	304.5	233.0	123.0	742.1	375.0	171.0	234.6	280.0
Sub-Total			16.8	576.5	237.7	113.1	670.7	658.5	779.3	743.9	1,437.0	957.4	1,379.0	1,014.6	548.0	990.4	2,139.4
Growth Rate						573%	16%	177%	589%	11%	118%	23%	85%	-29%	-43%	-28%	111%
Share of Subregion			6%	22%	74%	27%	21%	91%	56%	15%	91%	56%	16%	79%	40%	12%	90%
TOTAL			279.3	2,634.0	323.2	418.0	3,196.5	723.9	1,383.8	4,887.8	1,586.1	1,715.3	8,649.0	1,277.6	1,358.7	8,156.3	2,383.1
Growth Rate						50%	21%	124%	231%	53%	119%	24%	77%	-19%	-21%	-6%	87%

[88] Source: International Monetary Fund, Direction of Trade Statistics Yearbook (1978, 1982, 1989,1995, 2002)

			1976			1977			1978			1979			1980		
			China	**U.S.**	**U.S.S.R.**	**China**	**U.S.**	**U.S.S.R.**	**China**	**U.S.**	**U.S.S.R.**	**China**	**U.S.**	**U.S.S.R.**	**China**	**U.S.**	**U.S.S.R.**
Insular/Peninsular Subregion	**Brunei**	x	…	141.7	…	…	148.8	…	…	165.5	…	…	210.8	…	…	266.2	…
		m	6.5	62.5	…	6.9	58.2	0.1	8.3	41.9	0.1	11.0	66.6	…	13.6	77.1	…
	Indonesia	x	…	2,452.0	37.0	…	3,011.0	32.0	…	2,962.0	52.0	…	3,171.0	55.0	…	4,303.0	73.0
		m	132.0	988.0	17.0	154.0	777.0	13.0	122.0	839.0	15.0	132.0	1,053.0	14.0	197.0	1,409.0	20.0
	Malaysia	x	45.0	826.0	119.0	120.0	1,105.0	119.0	110.0	1,379.0	139.0	182.0	1,913.0	259.0	217.0	2,119.0	290.0
		m	134.0	487.0	10.0	141.0	560.0	11.0	221.0	824.0	7.0	223.0	1,173.0	10.0	253.0	1,632.0	27.0
	Philippines	x	38.3	926.3	87.2	109.1	1,113.6	130.1	47.5	1,159.1	40.4	51.2	1,382.9	83.3	45.0	1,593.6	189.3
		m	56.6	876.6	2.2	83.1	880.7	4.5	117.9	1,079.9	6.2	127.2	1,508.2	8.6	219.1	1,957.7	23.4
	Singapore	x	39.0	965.0	65.0	59.0	1,279.0	80.0	58.0	1,626.0	114.0	170.0	1,967.0	182.0	307.0	2,424.0	236.0
		m	267.0	1,198.0	20.0	275.0	1,324.0	26.0	342.0	1,664.0	23.0	411.0	2,527.0	24.0	629.0	3,389.0	24.0
Sub-Total			718.4	8,923.1	357.4	948.1	10,257.3	415.7	1,026.7	11,740.4	396.7	1,307.4	14,972.5	635.9	1,880.7	19,170.6	882.7
Growth Rate			-11%	25%	47%	32%	15%	16%	8%	14%	-5%	27%	28%	60%	44%	28%	39%
Share of Subregion			59%	92%	12%	62%	92%	18%	85%	90%	95%	79%	89%	92%	77%	90%	83%
Mekong Subregion	**Cambodia**	x	…	…	…	…	…	…	…	…	…	…	…	…	…	…	…
		m	…	…	…	…	…	…	…	…	…	…	…	…	…	…	…
	Lao PDR	x	…	1.1	…	…	1.0	…	…	1.1	…	…	1.9	…	…	1.0	…
		m	…	0.6	…	…	…	…	…	1.5	…	…	1.5	…	…	0.2	…
	Myanmar	x	0.1	0.4	0.7	0.2	0.9	0.7	1.0	28.2	2.3	1.8	11.6	3.9	2.6	8.3	5.5
		m	9.3	10.3	1.4	18.7	17.8	2.2	18.1	44.7	1.6	17.6	35.1	1.0	17.1	31.7	0.5
	Thailand	x	61.4	299.1	1.9	102.1	340.2	4.0	76.8	450.5	7.2	77.0	593.8	40.5	123.7	823.1	164.4
		m	71.7	480.8	12.2	67.2	572.0	14.8	83.9	734.8	8.6	241.9	1,122.6	8.0	416.6	1,332.4	11.4
	Vietnam	x	135.0	1.9	2,308.0	171.0	0.4	1,627.0	…	0.2	…	…	0.5	…	…	…	…
		m	222.0	1.2	239.0	226.0	0.1	252.0	…	2.0	…	…	0.6	…	…	1.2	…
Sub-Total			499.5	795.4	2,563.2	585.2	932.4	1,900.7	179.8	1,263.0	19.7	338.3	1,767.6	53.4	560.0	2,197.9	181.8
Growth Rate			-9%	-20%	20%	17%	17%	-26%	-69%	35%	-99%	88%	40%	171%	66%	24%	240%
Share of Subregion			41%	8%	88%	38%	8%	82%	15%	10%	5%	21%	11%	8%	23%	10%	17%
TOTAL			1,217.9	9,718.5	2,920.6	1,533.3	11,189.7	2,316.4	1,206.5	13,003.4	416.4	1,645.7	16,740.1	689.3	2,440.7	21,368.5	1,064.5
Growth Rate			-10%	19%	23%	26%	15%	-21%	-21%	16%	-82%	36%	29%	66%	48%	28%	54%

			1981			1982			1983			1984			1985		
			China	U.S.	U.S.S.R.	China	U.S.	U.S.S.R.	China	U.S.	U.S.S.R.	China	U.S.	U.S.S.R.	China	U.S.	U.S.S.R.
Insular/Peninsular Subregion	Brunei	x	…	311.5	…	…	482.6	…	…	272.8	…	…	176.3	…	…	215.2	…
		m	13.6	49.6	…	13.5	124.2	…	13.6	141.3	…	12.4	94.6	…	12.0	94.3	…
	Indonesia	x	…	5,830.0	66.0	14.0	3,546.0	22.0	27.0	4,267.0	50.0	8.0	4,505.0	59.0	84.0	4,040.0	78.0
		m	197.0	1,432.0	20.0	231.0	2,417.0	39.0	204.0	2,534.0	25.0	224.0	2,560.0	12.0	249.0	1,721.0	3.0
	Malaysia	x	88.0	1,166.0	259.0	110.0	1,399.0	240.0	157.0	1,864.0	302.0	165.0	2,231.0	213.0	161.0	1,970.0	182.0
		m	274.0	1,682.0	25.0	277.0	2,181.0	27.0	270.0	2,127.0	17.0	285.0	2,295.0	18.0	251.0	1,881.0	19.0
	Philippines	x	74.9	1,747.1	145.8	105.2	1,588.5	115.2	22.4	1,792.6	86.1	60.2	2,031.5	54.4	80.9	1,658.3	32.7
		m	242.1	1,951.1	9.2	222.7	1,860.9	13.2	79.6	1,831.3	17.3	227.8	1,713.5	4.1	290.5	1,343.8	13.1
	Singapore	x	179.0	2,770.0	163.0	240.0	2,612.0	218.0	213.0	3,954.0	180.0	243.0	4,823.0	358.0	333.0	4,830.0	241.0
		m	772.0	3,484.0	46.0	881.0	3,632.0	82.0	827.0	4,261.0	47.0	1,347.0	4,179.0	40.0	2,268.0	3,988.0	13.0
	Sub-Total		1,840.6	20,423.3	734.0	2,094.4	19,843.2	756.4	1,813.6	23,045.0	724.4	2,572.4	24,608.9	758.5	3,729.4	21,741.6	581.8
	Growth Rate		-2%	7%	-17%	14%	-3%	3%	-13%	16%	-4%	42%	7%	5%	45%	-12%	-23%
	Share of Subregion		77%	90%	68%	78%	90%	77%	81%	91%	86%	82%	90%	86%	87%	90%	83%
Mekong Subregion	Cambodia	x	…	…	…	…	…	…	…	…	…	…	…	…	…	…	…
		m	…	…	…	…	…	…	…	…	…	…	…	…	…	…	…
	Lao PDR	x	…	1.0	…	6.2	1.5	…	4.2	2.6	…	4.9	2.0	…	8.6	0.5	…
		m	…	0.3	…	…	0.4	…	…	0.1	…	…	0.1	…	…	0.2	…
	Myanmar	x	2.6	14.5	5.5	13.8	16.3	14.5	14.3	10.6	14.5	13.2	13.4	15.9	40.6	13.3	16.7
		m	17.1	37.4	0.5	34.5	37.3	21.2	34.8	16.9	21.2	33.5	17.5	23.4	38.6	10.8	24.5
	Thailand	x	139.0	910.1	330.3	306.6	880.8	183.1	107.3	953.2	65.4	182.6	1,273.0	72.1	270.9	1,401.6	62.7
		m	388.7	1,192.3	15.1	233.7	1,144.1	13.0	265.2	1,299.0	16.9	318.0	1,408.9	16.2	222.7	1,052.0	17.7
	Vietnam	x	…	0.1	…	…	…	…	…	…	…	…	0.1	…	…	…	…
		m	…	11.3	…	…	35.3	…	…	22.8	…	…	24.3	…	…	22.2	…
	Sub-Total		547.4	2,167.0	351.4	594.8	2,115.7	231.8	425.8	2,305.2	118.0	552.2	2,739.3	127.6	581.4	2,500.6	121.6
	Growth Rate		-2%	-1%	93%	9%	-2%	-34%	-28%	9%	-49%	30%	19%	8%	5%	-9%	-5%
	Share of Subregion		23%	10%	32%	22%	10%	23%	19%	9%	14%	18%	10%	14%	13%	10%	17%
	TOTAL		2,388.0	22,590.3	1,085.4	2,689.2	21,958.9	988.2	2,239.4	25,350.2	842.4	3,124.6	27,348.2	886.1	4,310.8	24,242.2	703.4
	Growth Rate		-2%	6%	2%	13%	-3%	-9%	-17%	15%	-15%	40%	8%	5%	38%	-11%	-21%

			1986			1987			1988			1989			1990			1991		
			China	**U.S.**	**U.S.S.R.**	**China**	**U.S.**	**U.S.S.R.**	**China**	**U.S.**	**U.S.S.R.**	**China**	**U.S.**	**U.S.S.R.**	**China**	**U.S.**	**U.S.S.R.**	**China**	**U.S.**	**U.S.S.R.**
Insular/Peninsular Subregion	**Brunei**	x	…	109.6	…	0.7	15.0	…	5.4	35.0	…	…	93.0	…	…	76.0	…	…	26.0	…
		m	12.4	79.9	…	4.2	102.0	…	3.4	94.0	…	…	109.0	…	…	153.0	…	…	152.0	…
	Indonesia	x	139.0	2,902.0	52.0	343.0	3,349.0	82.0	492.0	3,138.0	38.0	534.0	3,475.0	96.0	834.0	3,365.0	81.0	1,191.0	3,509.0	40.0
		m	337.0	1,482.0	5.0	408.0	1,415.0	16.0	410.0	1,734.0	46.0	537.0	2,216.0	51.0	653.0	2,520.0	55.0	835.0	3,397.0	47.0
	Malaysia	x	163.0	2,297.0	130.0	279.0	2,972.0	153.0	415.0	3,663.0	129.0	481.0	4,684.0	250.0	619.0	4,986.0	137.0	639.0	5,808.0	81.0
		m	282.0	2,034.0	11.0	374.0	2,376.0	20.0	482.0	2,925.0	42.0	609.0	3,803.0	77.0	561.0	4,944.0	80.0	802.0	5,626.0	75.0
	Philippines	x	101.1	1,709.3	15.0	87.9	2,060.4	30.2	67.0	2,512.0	22.0	50.0	2,935.0	26.0	62.0	3,104.0	…	128.0	3,151.0	15.0
		m	120.6	1,293.4	16.4	216.6	1,539.4	14.5	266.0	1,823.0	27.0	242.0	2,132.0	21.0	182.0	2,538.0	39.0	243.0	2,610.0	38.0
	Singapore	x	571.0	5,257.0	130.0	737.0	7,000.0	187.0	1,193.0	9,370.0	129.0	1,199.0	10,432.0	194.0	799.0	11,215.0	334.0	858.0	11,674.0	324.0
		m	1,430.0	3,819.0	36.0	1,412.0	4,786.0	40.0	1,691.0	6,824.0	93.0	1,698.0	8,522.0	129.0	2,095.0	9,801.0	96.0	2,227.0	10,501.0	193.0
	Sub-Total		3,156.1	20,983.2	395.4	3,862.4	25,614.8	542.7	5,024.8	32,118.0	526.0	5,350.0	38,401.0	844.0	5,805.0	42,702.0	822.0	6,923.0	46,454.0	813.0
	Growth Rate		-15%	-3%	-32%	22%	22%	37%	30%	25%	-3%	6%	20%	60%	9%	11%	-3%	19%	9%	-1%
	Share of Subregion		83%	88%	74%	78%	87%	81%	81%	84%	80%	80%	84%	26%	79%	83%	25%	78%	82%	47%
Mekong Subregion	**Cambodia**	x	…	…	…	…	…	…	…	…	…	…	…	…	…	…	…	…	…	…
		m	…	…	…	…	…	…	…	…	…	…	…	…	…	…	…	…	…	…
	Lao PDR	x	8.8	0.3	…	9.7	0.9	…	16.0	3.0	…	11.0	1.0	…	6.0	…	…	2.0	2.0	…
		m	…	…	…	0.7	0.2	…	3.0	1.0	…	5.0	…	…	16.0	1.0	…	12.0	1.0	…
	Myanmar	x	52.2	13.9	17.5	86.4	11.6	21.0	2.0	1.0	5.0	3.0	2.0	7.0	33.0	9.0	9.0	96.0	27.0	10.0
		m	41.4	17.6	25.8	75.5	8.6	30.9	8.0	15.0	7.0	6.0	12.0	5.0	138.0	19.0	6.0	315.0	26.0	7.0
	Thailand	x	275.5	1,606.1	71.7	387.5	2,163.3	33.8	475.0	3,200.0	61.0	541.0	4,358.0	265.0	269.0	5,240.0	103.0	335.0	6,068.0	74.0
		m	263.1	1,312.0	21.3	503.9	1,619.7	41.0	679.0	2,753.0	60.0	744.0	2,842.0	82.0	1,107.0	3,600.0	179.0	1,149.0	3,989.0	252.0
	Vietnam	x	…	0.1	…	…	…	…	…	…	…	…	…	549.0	8.0	…	920.0	19.0	…	215.0
		m	…	33.0	…	…	25.6	…	…	17.0	…	…	…	1,533.0	5.0	1.0	1,211.0	18.0	1.0	358.0
	Sub-Total		641.0	2,983.0	136.3	1,063.7	3,829.9	126.7	1,183.0	5,990.0	133.0	1,310.0	7,215.0	2,441.0	1,582.0	8,870.0	2,428.0	1,946.0	10,114.0	916.0
	Growth Rate		10%	19%	12%	66%	28%	-7%	11%	56%	5%	11%	20%	1735%	21%	23%	-1%	23%	14%	-62%
	Share of Subregion		17%	12%	26%	22%	13%	19%	19%	16%	20%	20%	16%	74%	21%	17%	75%	22%	18%	53%
	TOTAL		3,797.1	23,966.2	531.7	4,926.1	29,444.7	669.4	6,207.8	38,108.0	659.0	6,660.0	45,616.0	3,285.0	7,387.0	51,572.0	3,250.0	8,869.0	56,568.0	1,729.0
	Growth Rate		-12%	-1%		30%	23%	26%	26%	29%	-2%	7%	20%	398%	11%	13%	-1%	20%	10%	-47%

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III. SINO-AMERICAN POST-COLD WAR STRATEGIC COMPETITION AND EAST ASIA

This chapter elaborates on Chinese and American grand strategies and determines the nature of their competition, followed by an analysis on their interests and capabilities in East Asia. It is about the relationship between China as a rising power, measured by its maritime expansion as well as expanding and deepening relations with Southeast Asian, and the United States as a status-quo power, seen from its efforts to prevent the rise of a peer competitor and to maintain its wide and deep relations with rim land East Asia.

Muthiah Alagappa expresses this point of view: "the end of the Cold War marked the end of the domination of Asia and its international politics by Western powers and the emergence of a more autonomous Asian regional system."[89] Another observer who takes a long-term perspective describes China-U.S. relations as follows:

> Since the US has spent the last 100 odd years focused on preserving an Asian status-quo, *that did not exclude* the US, deciding how best to preserve the [sic] today's status-quo—also known as stability—will be major preoccupation of US security planners for the next two or three decades. Beijing's vision of a "future security system" being marketed as "A New Concept of Security" is the antithesis of the US alliance-based approach. We are facing a competition of concepts about how best to provide stability in the region. [90][Italics in original]

Meanwhile, the *New York Times* in October 2003 made the following assessment of China's rise and America's relative position in Asia: "More than 50 years of American dominance in Asia is subtly but unmistakably eroding as Asian countries look toward China as the increasingly vital regional power … [because] China's churning economic engine, coupled with trade deals and friendly diplomacy, have transformed it from a country to be feared to one that beckons."[91] The United States, however, is a Pacific power and in its history has long been drawn to the Western Pacific. Unlike China, which

[89] Alagappa, Muthiah, (ed.), Asian Security Practice: Material and Ideational Influences (Calif: Stanford, 1998), 65.

[90] McDevitt, Michael, "US Security Strategy in East Asia," November 6, 2002. http://web.mit.edu/ssp/fall02/fall02.html (30 October 2003).

[91] Perlez, Jane, "Asian Leaders Find China a More Cordial Neighbor," *New York Times*, 18 October 2003, http://www.nytimes.com/2003/10/18/international/asia.

has just begun to expand its regional relations, the United States maintains wide and deep relations with East Asia's maritime region. This chapter evaluates the nature of Sino-American relationship since the end of the Cold War and how it relates to Southeast Asia's regional order, which will be the focus of Chapter IV.

A. GRAND STRATEGY

The history of China – United States relations is characterized by contradictory expectations and suspicions, which they had not or could not manage to bridge in the 19th and 20th centuries. While the U.S. was growing as a major Pacific power, China was descending into poverty and chaos, becoming a target for division among the imperial powers while sinking into civil war. Towards the mid-20th century, Japan became a growing threat to America's interests in the Pacific and China became one of Washington's hopes to withstand Japan; China, however, defied that expectation. In the Cold War's first twenty years, China turned into America's most dangerous enemy in Asia and had to be contained in Korea and Vietnam and in Southeast Asia in general, while China viewed the United States (and later the Soviet Union) as the greatest threat to its survival and aspiration to reunite with Taiwan. After the U.S.-PRC rapprochement in 1972, their relations, though fluctuating, were held together by a common fear of the Soviet Union, whose demise in 1991 unraveled the strategic triangle.

1. China: Continental Consolidation, Maritime Expansion

China is perhaps the most geopolitically complex country in the world having the largest number of neighbors. Traditionally and historically a continental country, China has developed interests and the intention to become a maritime power once again (it was for a long period before the mid-15th century the greatest maritime power). Some observers have argued that ideology and cultural tradition play a role in shaping Beijing's foreign policy approach, but indications seem to portend that the role of ideology has diminished since China opened up in the late 1970s and embraced international trade and a de facto capitalism. Similarly, it is unlikely that cultural tradition plays an important role in China's current external strategy. Nonetheless, China's nationalism requires

serious attention because it is a driver in the effort to gain international and regional respectability.

China's basic principles of inter-state relations—the Five Principles of Peaceful Coexistence—are devoid of moral and ideological overtones. These were formulated in the mid-1950s between Chinese and Indian leaders, with the Chinese subsequently applying them to its relations with all non-socialist developing countries. Since the 1970s, China has applied these principles to all foreign relations.[92] They consist of: (1) mutual respect for territorial integrity and sovereignty, (2) mutual non-aggression, (3) mutual non-interference in internal affairs, (4) equality and mutual benefit, and (5) peaceful coexistence. These principles preserve the state and its territory, and are particularly relevant for China in terms of the Taiwan, Tibet and other potential secession issues. China has found the principles particularly useful in the post-Cold War era in establishing closer relations with its smaller neighbors, who in turn are relieved because China, at least in principle, will restrain from interfering in their affairs. Beijing views the nature of inter-state relations primarily in *realpolitik* or "power politics" terms, where a state's policy is "intended solely to promote relative national power without regard for moral principle." Beijing places great importance on the balance of power approach to manage potential conflicts with other major powers or coalitions."[93]

Since the Cold War, China's strategy in dealing with the great powers has been characterized by balance of power, where China leans on the weaker side to balance the more powerful and, thus, the more threatening power. The demise of the Soviet Union made the United States the most threatening power, exemplified by American ideological (i.e., democracy, human rights) pressures, its position on Taiwan and its military alliances with Japan, South Korea, the Philippines, Singapore, and Australia. Beijing looks at today's world as a Cold Peace that is characterized by unfair and irrational international political and economic order and "new manifestations of hegemonism and power politics."[94] Post 9/11, Beijing recognizes the importance of stable relations with the

[92] Garver, John W., *Foreign Relations of the People's Republic of China*, p. 122.

[93] Glasser, 1993, quoted in Roy, Denny, *China's Foreign Relations*, p. 37. Rowman & Littlefield Publishers Inc., 1998.

[94] China's National Defense in 2002, *People's Daily*, at http://english.people.com.cn/features/ndpaper2002/ndf.html (June 2003).

United States and the dangers posed by international terrorism, but it is also "suspicious that Washington is using the war on terrorism … to extend a decade-long effort to encircle China strategically."[95] It is fully cognizant that one result of 9/11 is America's renewed military relations with countries in China's periphery, including in Southeast Asia's maritime region.

As an extension of its balance of power approach, Beijing shifted its strategy to improve relations with neighboring countries under the banner of "good-neighborly policy." This policy is in line with the strategy adopted in 1985 that identified threats as more likely coming from its periphery in the form of local and limited wars, with territorial disputes as the likely cause, rather than direct great power confrontation. Beijing also believes that the regional disputes and conflicts could easily invite the intervention of other great powers, namely the United States and Japan. Under this policy, Beijing seeks to "settle the disputes … with the surrounding countries through friendly consultations and negotiations. Should this fail to serve the purpose, we should put them aside for the time being, seeking common ground while reserving differences."[96]

In order to promote economic development and maintain a stable environment, Beijing supports the establishment of multilateral forums to deal with security issues, namely the ASEAN Regional Forum (ARF) with Pacific Rim and South Asian countries in 1994, and the Shanghai Five with Russia, Kazakhstan, Kyrgyzstan and Tajikistan in 1996. This latter forum was subsequently strengthened in 2001 as the Shanghai Cooperation Organization (SCO). Beijing also moved to improve bilateral relations and tried to settle most of its land boundary disputes. Territorial disputes, acquisitions, or claims are at the heart of many of China's conflicts or use of arms: Xinjiang (1949), Tibet (1950, 1959), Taiwan (1954, 1958, 1995-96), border disputes with India (1962) and the Soviet Union (1969), Paracels (1974) and the Spratlys (1988). Significantly, Beijing has managed to resolve many border issues with Russia (except for a few islands on the Ussuri River), Central Asian countries (Tajikistan, Kyrgyzstan, Kazakhstan), Laos and

[95] Miller, H. Lyman, "Beijing and the American War on Terrorism," *Strategic Insight*, 1 July 2002 www.ccc.nps.navy.mil/rsepResources/si/july02/eastAsia.asp (7 August 2002)

[96] Report at the 15th National Congress of the Communist Party of China, 12 September 1997, *Beijing Review*, 6-12 October 1997, p. 30.

Vietnam. As to the South China Sea territorial disputes, which are the most complex, China has been promoting joint cooperation and deferment of the legal issue.

Beijing also seeks to balance the American preeminence by promoting a multipolar world, including establishing a strategic partnership with the Russian Federation since 1997.[97] In this year also, China strengthened its relations with ASEAN and began to promote the idea of a "new security approach" based on its Five Principles of Peaceful Co-existence and "independent foreign policy of peace,"[98] particularly the primacy of sovereignty and territorial integrity, economic development and exchanges, peaceful settlement of disputes, and security dialogue and cooperation over power politics. China maintains that disputes between states should be resolved "through peaceful means, and increasing mutual trust and resolving problems through friendly, frank, and sincere dialogues and consultations."[99] It argues that its close relationship with Russia and the Central Asian countries, the smooth Hong Kong settlement in 1997, and the South China Sea stabilization process are proof of the effectiveness of this approach. China, moreover, is advancing norms that have strengthened political relations with South Korea and Southeast Asian countries, which are already China's most friendly neighbors.[100] Its regional policy is also consistent with its broader strategy to promote a multipolar world.

Beijing does not formally and comprehensively reveal its security perception and intentions, but these may also be deduced from the kind of military it is developing. The priority given to naval modernization signifies a maritime orientation and explains three levels of considerations. The first and most immediate concern is Taiwan, where the People's Liberation Army – Navy (PLAN) is expected to be able to cordon the island and, if the U.S. intervenes, to counter any such move. The U.S. intervention during the

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[97] Miller, H. Lyman, "The Limits of Chinese-Russian Strategic Collaboration," *Strategic Insight*, 2 September 2002, Center for Contemporary Conflict, http://www.ccc.nps.navy.mil/rsepResources/si/sep02/eastAsia.asp

[98] Report at the 15th National Congress of the Communist Party of China, 12 September 1997, *Beijing Review*, 6-12 October 1997, p. 29. The "independent foreign policy of peace" was also reiterated in the *2000 China Defense White Paper*.

[99] "Text of Qian Qichen Speech to ARF," 27 July 1997, in FBIS, document id FTS19970807000641.

[100] On China-South Korea improving relations, see for example James Brooke's reportage: "China 'Looming Large' In South Korea As Biggest Player, Replacing US," *New York Times*, 3 January 2003.

1995-96 Taiwan Crisis, deploying carrier battle groups close to Taiwanese waters, was a reminder of China's weakness in the face of America's maritime power. Other immediate concerns are the protection of its coastal cities and sea-lanes of communications in Southeast Asia, through which China's sea-borne trade and energy and mineral imports pass. The second consideration is the establishment of a defense perimeter far beyond China's coastline, to turn "coastal defense" into "off shore defense." The PLAN envisions becoming a blue water navy equipped with aircraft carriers, but this is a long-term vision.

The third consideration is the need to turn the PLAN into an effective instrument to protect and enforce China's territorial claims over the Spratly Islands and the whole South China Sea, without creating excessive fears that could prevent deeper economic and political relations with regional countries and driving them to invite closer American security involvement. Finally, China will conceivably use its navy for political purposes as many maritime powers have done before: for "gunboat diplomacy." The navy is the most politically flexible military instrument because its unique characteristics enable it to be deployed in international waters in a sustained manner while conveying a forceful diplomatic message or executing military action against a target country.[101] The lower end of gunboat diplomacy is symbolic, such as showing the flag. The PLAN has undertaken foreign port visits and a global voyage to demonstrate China's growing capability and "peaceful diplomacy and … [for the PLAN] as representatives of the state to exhibit its traits as an army of peace and civilization."[102] The navy's flexibility in the political context can thus overcome its many technological shortcomings, and even though it is not yet on a par with the American, Japanese, Australian, and even Indian and Taiwanese navies, the PLAN has strengthened China's stature as a great power.

[101] Gunboat diplomacy is understood here as "the use or threat of limited naval force, otherwise than as an act of war, in order to secure advantage or to avert loss in the furtherance of an international dispute." Cable, James, *Gunboat Diplomacy, 1919-1991*, 3rd ed., p. 14. St. Martin's Press, 1994.

[102] "Shi Yunsheng on Navy's Development," *Liaowang*, in FBIS-CHI-1999-0513, 19 April 1999.

2. United States: Preventing the Rise of a Peer Competitor

The American post-Cold War grand strategy is a combination of four approaches.[103] *Neo-isolationism*, which is the least popular thus far, looks at America's national interest and security as limited to its own territory. *Selective engagement* or "off-shore balancer" seeks to manage peace among the major powers, arguing that any conflict among them will be the most costly and destructive and the United States cannot stay away from such conflicts. This approach assumes that U.S. economic and military relative advantage will gradually diminish, and, therefore, resources should not be used to police the world or to insist on primacy. *Cooperative security* or "internationalism" assumes that democracies rarely, if ever, fight each other. Since most great powers are democracies or are on the road to democracy, the chances are greater now for their cooperation to maintain world stability. Great powers like China must be engaged, as they are the biggest challenge to international peace. *Primacy* or "hegemonism" seeks to maintain U.S. dominance to ensure peace because a system based on balance of power will ultimately fail.

In the early 1990s, idealism in the form of the "new world order" concept characterized the United States approach. President George H.W. Bush envisioned a new world order that is "freer from the threat of terror, stronger in the pursuit of justice, and more secure in the quest for peace. … A world where the rule of law supplants the rule of the jungle. A world where the strong respect the rights of the weak."[104] His concept was based on collective security among the great powers, embodied in—though not limited to—the United Nations Security Council. It was strongly criticized by the right, which wanted the United States to remain supreme and unbound by a revived United Nations, and the left, which saw it as rationalization of the administration's imperial ambitions.[105] During his tenure, influential people in the administration, such as Dick Cheney and Paul Wolfowitz, began to promote the primacy approach.

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[103] The following summary is drawn from Posen, Barry L. and Ross, Andres L., "Competing Visions for U.S. Grand Strategy," *International Security*, Vol. 21, No. 3 (Winter 1996/97), pp. 5-53.

[104] "Confrontation in the Gulf: Transcript of President's Address to Joint Session of Congress," *The New York Times*, 12 September 1990, 20.

[105] Judis, John B., "George Bush, Meet Woodrow Wilson," *The New York Times*, 20 November 1990, 21.

An early indication of American primacism appeared in the Pentagon's draft of the *Defense Planning Guidance for the Fiscal Years 1994-1999* leaked to the *New York Times* in 1992. The draft addressed "the fundamentally new situation which has been created by the collapse of the Soviet Union, the disintegration of the internal as well as the external empire, and the discrediting of Communism as an ideology with global pretensions and influence." It laid out the imperatives of America's great power strategy:

> Our first objective is to prevent the re-emergence of a new rival, either on the territory of the former Soviet Union or elsewhere, that poses a threat on the order of that posed formerly by the Soviet Union. This is a dominant consideration underlying the new regional defense strategy and requires that we endeavor to prevent any hostile power from dominating a region whose resources would, under consolidated control, be sufficient to generate global power.[106]

This objective contains a number of policy prescriptions: (1) to maintain U.S. leadership that convinces or deters potential competitors that they need not pursue a more aggressive posture because their legitimate interests are protected; (2) to discourage other industrial countries from challenging U.S. leadership; and (3) to maintain the mechanisms for deterring potential competitors by reconstituting American capabilities to ensure a predominant military position in the world.[107] In East Asia, the draft stressed the need for the U.S. to "maintain our status as a military power of the first magnitude in the area … [therefore] enable the U.S. to continue to contribute to regional security and stability by acting as a balancing force and prevent emergence [sic] of a vacuum or a regional hegemon."[108] Due to much public opposition, however, conceivably because of an inadequate public relations campaign, the administration was compelled to disavow and abandon the plan.

The Clinton administration was even more internationalist in its approach and in contrast to its predecessor, emphasized the application of universal values in the internal affairs of other states as a way to maintain international peace. The Clinton administration's grand strategy, outlined in the *National Security Strategy of Engagement and Enlargement*, called for

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[106] "Excerpts From Pentagon's Plan: 'Prevent the Re-Emergence of a New Rival,'" *The New York Times*, 8 March 1992, 14. Also quoted in Posen, 33.

[107] Ibid.

[108] Ibid.

> enlarging the community of market democracies while deterring and limiting a range of threats to our nation, our allies and our interests. The more that democracy and political and economic liberalization take hold in the world, particularly in countries of strategic importance to us, the safer our nation is likely to be and the more our people are likely to prosper.[109]

This strategy consisted of three elements: defense capability and effective diplomacy, the opening of foreign markets, and the promotion of democracy in other countries. The strategy also emphasized the importance of the American people's interests, therefore diluting the somewhat altruistic notion of benevolence conveyed in political rhetoric. As the Commission on America's National Interests puts it, "Our hierarchy puts American national interests first, as American leaders do when they are being forthright."[110] The difference in President Clinton's policy from his predecessor was in dealing with other great powers, whether through competition or cooperation. Even in this case there is no clear delineation because such relations always involve or combine competition and cooperation As a result, the voluntary surrender of American primacy would conceivably be politically indefensible. The Clinton administration developed the "New Pacific Community" concept as the organizing theme of its involvement in the Western Pacific. Under this concept of community, the U.S. interaction is based on "three shared commitments: to security, to economic growth, and to democratic values" in which "security comes first."[111] The administration defined threats as Russia's transformation, China's authoritarian regime, weapons of mass destruction, rogue states and regional aggression, militant nationalism and ethnic and religious conflicts, and transnational problems (e.g., environmental degradation, natural resource depletion, rapid population growth and refugee flows, terrorism, organized crime and drug trafficking). Military force would be used to defend vital, important and humanitarian interests, and when the first two are at stake, force would be used decisively and, if necessary, unilaterally.

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[109] "A National Security Strategy of Engagement and Enlargement," White House, February 1996. http://www.fas.org/spp/military/docops/national/1996stra.htm, viewed on 5 December 2003.

[110] "America's National Interests," *The Commission on America's National Interests*, July 2000, p. 19.

[111] "Building a New Foundation for Peace, Prosperity, and Democracy in the Asia-Pacific Region," Statement by Deputy Secretary Talbott at the Six-plus-Seven Open Session of the ASEAN Post-Ministerial Conference, Bangkok, 26 July 1994, US Department of State Dispatch, 8 August 1992 (www.nexis.com).

The return of the Republicans to the White House in 2001 reinstated the security strategy based essentially on maintaining U.S. primacy and preventing the emergence of a strategic competitor. The *Quadrennial Defense Review 2001* (QDR 2001) reflected the Bush administration's concerns, enunciating one of America's enduring national interests as "precluding hostile domination of critical areas, particularly Europe, Northeast Asia, the East Asian littoral [the region stretching from south of Japan through Australia and into the Bay of Bengal], and the Middle East and Southwest Asia."[112] The QDR 2001 implicitly identified China as a potential competitor in Asia, stating,

> Although the United States will not face a peer competitor in the near future, the potential exists for regional powers to develop sufficient capabilities to threaten stability in regions critical to U.S. interests. In particular, Asia is gradually emerging as a region susceptible to large-scale military competition. … The possibility exists that a military competitor with a formidable resource base will emerge in the region.[113]

The 9/11 terrorist attacks against the United States shifted the focus of its security strategy to the threat posed by the combination of weapons of mass destruction (WMD), rogue states and terrorists. The *National Security Strategy 2002* did not emphasize America's primacy, particularly as the war on terrorism required the cooperation of other great powers. As President George W. Bush stated, 9/11 "fundamentally changed the context for relations between the United States and other main centers of global power..." It is difficult, however, to predict whether America's war on terrorism has fundamentally changed post-Cold War great power relations and the inherent security risks that come with it. It is possible that another major terrorist attack on the United States will impel or at least inject some elements of neo-isolationism, causing it to scale down its international security involvement. Otherwise, the current war on terrorism will eventually come to pass (through declaration or routinization) or morph into a different kind of conflict, possibly with greater involvement by states.

America's war against terrorism has brought its military to be deployed around China, either directly or through new and renewed military cooperation with other states. The United States in particular is courting Southeast Asia's maritime region because of

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[112] *Quadrennial Defense Review 2001*, p. 2. Department of Defense, September 2001.

[113] *Quadrennial Defense Review 2001*, p. 4.

its perceived potentials to support terrorism, such as in Indonesia and the Philippines. Southeast Asia has, in fact, been identified as a "critical testing ground for implementing a 'third way' of dealing with China's rising power—what might be called a strategy of 'congagement' that seeks to integrate China into the international system while both deterring and preparing for a possible Chinese challenge to it."[114]

B. INTERACTING SECURITY STRATEGIES: THE "FIRST ISLAND CHAIN" AND "PLACES, NOT BASES"

The end of the Cold War coincided with China's growing economic power and rising political influence in East Asia's littorals, a region considered as a traditional sphere of American interest. The "first island chain"—the Chinese navy's blueprint objective for expanding its size and mission—epitomizes China's continental nature and seaward projection and maritime aspirations. On the other hand, America's "places, not bases" strategic approach to its forward military deployment symbolizes its position as a maritime nation with which regional countries are willing to engage and to host its forces. The most important issue in Sino-American relations remains Taiwan, on which other regional issues could very well hinge, although the South China Sea remains a strategic issue due to its location at the heart of international shipping lanes that all parties depend on for security and prosperity.

1. Political and Diplomatic

As established, in implementing its strategy of multipolarity and balance of power, China is seeking closer relations with Southeast Asia. China's growing power is observed in Southeast Asia with concern, but China needs to maintain friendly relations with the countries of Southeast Asia, which are already China's most friendly neighbors. An Asian expert on China, Wang Gungwu, describes it in simple terms: "[t]he Chinese government realizes that if Southeast Asia fears China, that's bad for China."[115] In the past ten years, China has moved from an observer of ASEAN to a full dialogue partner in 1996, and the two sides have established various cooperation mechanisms, covering

[114] Sokolsky, Richard, Rabasa, Angel, and Neu, C.R., *The Role of Southeast Asia in U.S. Strategy Toward China*, p. xiii. RAND, 2000.

[115] Ong Hwee Hwee, "China 'must stay friendly with S-E Asia,'" *Straits Times*, 6 May 2002 (www.nexis.com)

political, social, economic, scientific and technological affairs among others. Since 1997 China and ASEAN have met every year at the level of heads of government. At their first meeting, President Jiang Zemin and the ASEAN leaders agreed "to promote good-neighbourly and friendly relations, increase high-level exchanges, strengthen the mechanism of dialogue and cooperation in all areas to enhance understanding and mutual benefit" and "to resolve their differences or disputes through peaceful means."[116] In the late 1990s and early 2000s China and most if not all Southeast Asian countries agreed on a framework for future-oriented bilateral cooperation that covers a wide range of fields, thus laying the foundation for closer political relations.[117] These bilateral frameworks, interestingly enough, were established after the tone had been set at the multilateral level rather than the other way around.

China's intention to establish closer political relations is also evident in its support for ASEAN's concept of a Zone of Peace, Freedom, and Neutrality (ZOPFAN). China has always supported ZOPFAN, even when its relations with many Southeast Asians were cool at best; however, now that support is manifested in real terms. This includes its willingness to accede, in concert with the other nuclear weapon states, to the Treaty of Southeast Asia Nuclear Weapons-Free Zone, and to accede to the Treaty of Amity and Cooperation in Southeast Asia in October 2003 (the other non-ASEAN country that has done so is Papua New Guinea). The accession implies, at least in principle, China's willingness to be bound by ASEAN's principles and mechanism for peaceful relations. China also supported Malaysia's initiative for an East Asia Economic Caucus in 1993.[118] Furthermore, in 2002 China and ASEAN agreed to establish a free trade area and to cooperate in the field of non-traditional security issues, and in 2003 agreed "to hold an

[116] "ASEAN-China Cooperation Towards the 21st Century," Joint Statement of the Meeting of Heads of State/Government of the Member States of ASEAN and the President of the People's Republic of China, Kuala Lumpur, 16 December 1997.

[117] *Xinhua News Agency* has news coverage over most of these agreements (www.nexis.com): "China, Cambodia Agree on Further Cooperation" (13 November 2000); "China, Indonesia Sign Joint Statement on Bilateral Cooperation" (8 May 2000); "China, Malaysia Sign Joint Statement" (31 May 1999); "China-Myanmar Issue Joint Statement" (6 June 2000); "China, Philippines Sign Joint Statement" (16 May 2000); "Joint Statement Issued with China on Cooperation" (8 February 1999).

[118] "China Supports EAEC as Economic Forum: FM," *Xinhua General Overseas News Service*, 24 July 1993 (www.nexis.com).

ASEAN-China security-related dialogue to enhance mutual understanding and promote peace and stability in the Region."[119]

China has also extended support for ASEAN's efforts to establish an Asia Pacific-wide security dialogue mechanism through the ASEAN Regional Forum (ARF). Beijing seeks the development of a more "Asia-oriented political-strategic landscape" that should be managed primarily by Asians with minimum external influence, where China plays a role that corresponds to its status.[120] As an alternative to the American order in the Western Pacific, China circulated a position paper on the "new security concept" to the ARF meeting in July 2002, which indicated Beijing's intention to pursue the idea more vigorously after it was first introduced in 1997. As the paper states, the "new security concept has become an important component of China's foreign policies." Some of the principles contained in the concept have been relatively consistent in Chinese foreign policy, for example the norms for security cooperation (UN Charter, Five Principles of Peaceful Coexistence, the leading role of the United Nations), peaceful settlement of disputes, respect for territorial integrity, disarmament, and the promotion of common prosperity. Others reflect newer trends, such as the reform and improvement of the existing international economic and financial organizations, and the emphasis on non-traditional security areas, such as combating terrorism and transnational crimes. Additionally, interesting to note is the statement that the concept may be operationalized under "a multi-lateral [sic] security mechanism of relatively strong binding force or a forum-like multi-lateral [sic] security dialogue,"[121] which seem to indicate China's readiness to move the ARF's deliberations beyond confidence building and into preventive diplomacy and conflict resolution. Moreover, China supports ASEAN's leading role in the ARF, implying its preference for the continued leadership of small to medium powers.

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[119] Press Statement of the Chairperson of the ASEAN + China Summit, Bali, Indonesia, 8 October 2003, paragraph 9.

[120] Wu Xinbo, "China: Security Practice of a Modernizing and Ascending Power," in Muthiah Alagappa, *Asian Security Practices*, p. 136. Standford University Press, 1998.

[121] "China's Position Paper on the New Security Concept," July 31, 2002, http://www.fmprc.gov.cn/eng/ 33227.html (15 December 2002).

Beijing makes a concerted effort to consolidate its influence in the Mekong sub-region, of which most of the countries are also ASEAN's newer members: Cambodia, Laos, Myanmar, and Vietnam. S.D. Muni studied China's relations with these countries and argues,

> The new ASEAN countries constitute the land part of China's southern flank. They border China's sensitive Yunnan and Guangxi provinces and link China with strategic waterways in the South China Sea and the Indian Ocean. China has direct access to the South China Sea but not to the Indian Ocean except through Myanmar.[122]

Among the "CLMV countries" (ASEAN's jargon for the four new members), China maintains closest relations with Myanmar, particularly in terms of defense and economics. China has since the early 1990s become Myanmar's main supplier of weapons. Chinese arms strengthen relations with Myanmar's military, and its officers reportedly go to China for training on a regular basis. China supplies naval communications and surveillance equipment installed in naval posts in the Indian Ocean, and both countries reportedly share intelligence and defense related information, including on the activities in the Bay of Bengal.[123] China has also offered support for the development of the Irrawaddy River for navigation and commerce, including the construction of ports along the river.[124]

China's relations with Indochina have also progressed at a remarkable speed although they depend, to an extent, on China's relations with Vietnam, which maintains strong influence over Cambodia and Laos. Cooperation in the Mekong River is an important yardstick of strengthening China's economic and strategic influence. China is an important investor in the development of the Mekong, but it acts primarily on a unilateral basis. For example, it plans to build six large dams along the river and another nine along its tributaries and to dredge the river to facilitate the movement of goods and people with Myanmar, Thailand, Laos, and Cambodia (where the river turns into a

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[122] Muni, S.D., *China's Strategic Engagement with the 'New ASEAN': An Exploratory Study of China's Post-Cold War Political, Strategic, and Economic Relations with Myanmar, Laos, Cambodia, and Vietnam*, p. 61. Institute of Defense and Strategic Studies, Singapore, 2002.

[123] Muni, 80.

[124] Muni, 83.

waterfall).[125] Vietnam, at least in subtle diplomatic settings, has voiced strong objections to the Chinese projects, citing environmental concerns as the downstream party. However, China's relations with the Mekong countries are on an upward trend, and they have been holding summit meetings since 2002.

On the American side, the Clinton Administration supported the forming of the ARF, which is consistent with its policy of constructive engagement and with the establishment of a "network of overlapping and interlocking institutions."[126] The main pillar for American security strategy, however, remained its treaty alliances, military arrangements, and military presence.[127] As Muthiah Alagappa puts it, "the United States supports [regional multilateral institutions] only as a supplement to its alliance network."[128] Support for the ARF waned during the Bush Administration's first year as it saw the containment of China as the first security priority. In 2001, the Bush administration expressed interest in developing a multilateral security dialogue with Australia and Japan, possibly with the involvement of South Korea. [129] Such a security arrangement could weaken, or could be perceived by other countries to weaken, the ARF. China attacked the idea, suspecting that the security dialogue idea was a prelude to the creation of an "Asia-Pacific version of the North Atlantic Treaty Alliance."[130] Australia, at least according to one account, was cautious of the idea, with its foreign minister reportedly trying "his best to pour cold water on the proposal without publicly offending

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[125] "River of Controversy," *Asia Times,* http://www.atimes.com/atimes/Southeast_Asia/DH09Ae01.html, 21 August 2002.

[126] *The United States Security Strategy for the East Asia-Pacific Region 1998*, U.S. Department of Defense, p. 66.

[127] Goh, Evelyn and Acharya, Amitav, "The ASEAN Regional Forum and US-China Relation: Comparing Chinese and American Positions," draft paper prepared for the Fifth China-ASEAN Research Institutes Roundtable, University of Hong Kong, 17-19 October 2002.

[128] Alagappa, Muthiah, "Constructing Security Order in Asia: Conceptions and Issues," in Muthiah Alagappa (ed.), *Asian Security Order: Instrumental and Normative Features*, pp. 77-78. Stanford University Press, 2003.

[129] Press Conference by Secretary of State Colin L. Powell, Secretary of Defense Donald H. Rumsfeld, Admiral Dennis C. Blair, Foreign Minister Alexander Downer, Minister of Defense Peter Reith, and Admiral Chris Barrie, Canberra, Australia, 30 July 2001, http://usaembassy-australia.state.gov/australia/ausmin/index.html (7 November 2003). Also, Kenneth Davidson, "The Grim Quest For New Evil Empires," *The Age*, p. 15, 2 August 2001 (www.nexis.com).

[130] "China Attacks another Nato," *Australian Financial Review*, p.10, 2 August 2003 (www.nexis.com).

the Bush administration."[131] The idea, however, was later put on a backburner since the need to gather support for the war against terrorism had increased the ARF's usefulness for Washington.

Perhaps the most lasting impact of U.S. policy towards Southeast Asia is in the political field that pertains to the countries' domestic affairs. During the Clinton Administration, issues of democratization and human rights were the centerpiece of U.S. policy, justifying interference in domestic affairs. On this basis, Washington publicly opposed the caning of an American youth caught vandalizing in Singapore in 1994 It further blocked military sales to Indonesia in 1996, imposed sanctions on Myanmar and opposed its membership in ASEAN, and openly criticized the Malaysian leader during a gathering of Asia Pacific leaders in Kuala Lumpur in 1998. This policy shifted during the Bush Administration to one that emphasizes security relationships, initially in the context of containing China and, after 9/11, in the war against terrorism. Both of these sidestepped the issues of democratization and human rights and focused on supporting the government and its security apparatus.

2. Security and Military

China's maritime expansion is evident from the priority it places on the navy's modernization. As a PLA senior officer observed, "China's political and economic focus lies on the coastal areas [and] for the present and a fairly long period to come, [its] strategic focus will be in the direction of the sea."[132] The primary missions of the People's Liberation Army–Navy (PLAN) are to defend against invasion from the sea, and defend China's territorial waters and maritime rights and interests. China's political and military leaderships have not come out to elaborate China's maritime strategy; however, it is understood to be consistent with the strategy formulated by Gen. Liu Huaqing, the commander of the PLAN in 1982-87 and, subsequently, the vice chairman of the CMC until 1997. Liu developed China's "coastal defense" into an "offshore defense" strategy, which envisions a theater covering the "first island chain" from the Kurile Islands, Japan, Taiwan, the Philippines, Kalimantan, and the Natuna Islands. Its objective is to be East

[131] Davidson.

[132] Lieutenant General Mi Zhenyu, quoted in Bernard D. Cole, *The Great Wall at Sea: China's Navy Enters the Twenty-First Century*, p. 159. Naval Institute Press, 2001.

Asia's dominant maritime power by 2020, or at least present an effective counter to the naval forces of other great powers. Thereafter, China envisions extending its maritime dominance to the "second island chain," which extends from the first chain into the Marianas in the Western Pacific. The PLAN's modernization includes indigenously built ships, such as the Luhu-class destroyer, Jiangwei III-class missile frigate, and the Song-class submarine, as well as imported warships from the Russian Federation, including the Kilo-class submarine and the Sovremenny-class destroyer. China is also reported to be interested in purchasing Russian Akula nuclear submarines, Slava-class cruisers and more Kilo-class submarines.[133] China has two naval infantry brigades deployed in the East Sea and South Sea Fleets. They were established in 1953 and disbanded in 1957 but were revived respectively in 1979 and the late 1990s. China has also modernized its amphibious capability, such as its landing ships and air-cushioned crafts. Another relevant capability for power projection is supply ships that the PLAN has acquired, although still limited in number. The PLAN tested its logistical capability by sending a Chinese guided missile destroyer and its support ship for a four-month voyage around the globe in 2002, the first in China's naval history.[134]

The PLA–Air Force (PLAAF) is also being modernized, but most observers agree that it would take a long-term effort to transform the air force into a regionally-relevant instrument. The PLAAF has purchased Russian aircraft, in particular Su-27s that can act as a deterrent against Taiwan and Southeast Asian countries in the South China Sea disputes; nevertheless, they are only of limited value because of the PLAAF doctrinal, technological and logistical problems. Indeed, the PLAAF's strategy seems to be focused primarily on national defense, although recent exercises and activities suggest an interest in the northern South China Sea and, perhaps, an indication of joint operations with the PLANAF that traditionally operates in the area. However, because of past doctrine that placed it in a supporting role to the army and operating primarily in the interior, the PLAAF has yet to move its air assets closer to the coast to deter Taiwan's

[133] "China 'to buy more advanced Russian warships,'" *Straits Times Interactive*, 4 November 2002.

[134] "China naval ships end world voyage," *Straits Times Interactive*, 24 September 2002. Also, "Chinese Warship Finishes Four-Month World Tour," *USA Today*, 24 September 2002, p. 4.

move towards independence, to protect China from sudden attacks, and to support maritime expansion.[135]

American security policy in the early 1990s called for a lower military presence, particularly after the closure of American bases in the Philippines in 1992. However, the North Korean nuclear crisis in 1992-94 and the Taiwan Strait crisis in 1995-96 convinced Washington that it must maintain its presence in the region, even while downgrading its military presence in the European theater. The political design mentioned below (in the context of the American order) provides and is supported by a robust military presence and force structure of around 100,000 military personnel from the Eighth Army and Seventh Air Force in Korea, Third Marine Expeditionary Force and Fifth Air Force in Japan, and the U.S. Seventh Fleet.

The U.S. military force in the Western Pacific is unchallenged and undoubtedly plays the "big stick" role for American strategy. The U.S. has at various occasions expressed its commitment to maintain its military presence in Asia, including the commitment reiterated by Secretary Powell in July 2002 while in Southeast Asia.[136] There was a marked reorientation of America's naval strategy to a littoral approach as a response to the new, post-Cold War situation where "naval power must be applied 'from the sea' against sovereign transoceanic actors."[137] The naval strategy is aimed at littoral projection where "Expeditionary Strike Groups will spread the striking power and presence of the United States Navy and United States Marine Corps team more widely around the world."[138] The manifestation of this strategy is reflected in the QDR 2001 that calls for a focus on the particularly "challenging area" of the East Asian littoral that stretches from the Sea of Japan to Australia and the Bay of Bengal.[139] The tasks of the American military are not only defense but also a wider political role, such as "helping to

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[135] You Ji, *The Armed Forces of China*, pp. 130-31. I.B. Tauris, 1999.

[136] "US committed to keeping troops in Asia, says Powell," *Straits Times*, 30 July 2002.

[137] Rhodes, Edward, "'…From the Sea' and Back Again: Naval Power in the Second American Century", *Naval War College Review*, Spring 1999, p. 14.

[138] Admiral Vern Clark, "SEA POWER 21: Operational Concepts for a New Era", Remarks delivered at the Naval War College, 12 June 2002, www.chinfo.navy.mil/navpalib/cno/speeches/clark-csf02.txt (30 August 2002).

[139] *Quadrennial Defense Review Report 2001*, pp. 2, 4.

provide the stability that is so essential to the economic well-being of this complex region."[140]

In January 1998, the United States and China signed the Military Maritime Consultative Agreement (MMCA) representing recognition of their intensifying maritime coexistence in the Western Pacific. The MMCA is a component of the Defense Consultative Talks agreed by Presidents Jiang and Clinton in 1997, and it is basically a confidence building measure designed to minimize the risk of incidents at sea between the two navies including maritime safety and search and rescue.[141] The issue of maritime safety and the need to prevent maritime incidents from triggering clashes came to the forefront in 1994 when Chinese jets and the U.S. Navy were engaged in a three-day close encounter in the Yellow Sea.[142] Only three meetings had been held under the auspices of the MMCA, one of which was a special meeting prompted by the collision between the American EP-3 and Chinese fighter jet off Hainan in April 2001.[143]

The American order relies on military cooperation with regional countries. After the Cold War, maintaining large and permanent bases became very expensive, particularly in terms of financing and domestic political support in the United States, as well as in terms of the political cost for the host government due to strong public opposition and regional suspicions. The United States adopted a policy of "places not bases" on the basis that "[t]he continued development of support outside the traditional basing structure in such nations as Australia, Indonesia, Singapore, Thailand, the Philippines, Malaysia and Brunei will enhance U.S. strategic interests in maintaining regional stability and a credible power projection capability in the region and beyond."[144]

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[140] Admiral Thomas B. Fargo, "A Naval Role in Asia Pacific Prosperity," Asia Society, 16 May 2000, http://www.asiasociety.org/speeches/fargo.html (2 November 2003)

[141] "Pentagon Talks May Lead to More U.S.-China Military Cooperation, Joint Exercises," *Washington Post*, 12 December 1997, p. A12. (www.nexis.com). Also, Denny Roy, "Current Sino-U.S. relations in strategic perspective," *Contemporary Southeast Asia*, 1 December 1998, Institute of Southeast Asian Studies (www.nexis.com).

[142] "Past and present collide in spy plane standoff," *New Zealand Herald*, 7 April 2001. (www.Nexis.com).

[143] "China, U.S. Hold Annual Meeting on Military Safety on Sea," *Xinhua News Agency*, 12 April 2002. (www.nexis.com).

[144] *The United States Security Strategy for the East Asia-Pacific Region 1998*, U.S. Department of Defense, p. 60.

A number of such models have been developed in East Asia to accommodate the U.S. military presence: the access model, the burden-sharing model, and the promotion of interoperability with its allies.[145] The access model manifests in the "places, not bases" approach, which is particularly relevant in Southeast Asia. Singapore is a prime example. It has built a berth specifically for American aircraft carriers on a commercial basis (to be fair, Singapore has also invited China to use the facility). Indonesia, Malaysia and Thailand have also provided services to the U.S. Navy. Both the U.S. and East Asian rim land countries see the need of America's role as an anchor for regional stability. Furthermore, post 9/11 is a period of strengthened American military presence in East Asia. America's overall post-9/11 military strategy has further strengthened the access model. American military planners are moving away from a Cold War containment posture against a defined threat "towards a
focus on speed and overwhelming muscle against emerging crises," believing that "the wave of the future will be smaller facilities known as 'forward operating bases' and 'forward operating locations.'"[146]

The QDR 2001, noting Asia's vast distances, the low density of U.S. basing and en route infrastructure and "less assurance of access to facilities in the region," called for "securing additional access and infrastructure agreements and on developing systems capable of sustained operations at great distances with minimal theater-based support."[147] As part of the effort for additional access and infrastructure agreements, Washington has established stronger military relations with Taiwan, Australia, the Philippines, Singapore, Thailand, and to a lesser extent, Indonesia. The U.S. Pacific Command turned to Indonesia to "help in the war on terror … [and] hoped to see the emergence of a democracy as part of a defensive bulwark against China if Beijing seeks to dominate Asia and drive the US from the Western Pacific."[148]

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[145] Lee Lai To, *China and the South China Sea Dialogues*, p. 3. Praeger, 1999.

[146] See, for example, "US Remaking Look, Locations Of Bases Abroad," *Boston Globe*, p.1, 7 July 2003, http://ebird.dtic.mil/Jul2003/e20030708198360.html (7 July 2003).

[147] *Quadrennial Defense Review Report 2001*, p. 4.

[148] Halloran, Richard, "Indonesia a worrying blip on American radar screens," Commentary, *The Straits Times*, 2 August 2003, http://straitstimes.asia1.com.sg/commentary/story/ (1 August 2003).

Moreover, while an improving relationship between the United States and Vietnam has occurred on its own merit, its value to America's relations with China cannot be underestimated. For example, an American observer, Peter Brookes, highlighted a meeting between the American defense secretary and the Vietnamese defense minister as a potential signal to China that America intends "to continue to be a player in that part of the world."[149] Whereas on systems for sustained operations, Washington is considering to permanently move a carrier from the continental United States to Hawaii or Guam.[150] The strengthening of the American military in East Asia and the Western Pacific is conceivably in the context of eliminating terrorism, but as strategic and military planners in Washington, Beijing, and elsewhere are aware, the military could be used for a host of other purposes, including in this context America's relations with China.

3. Taiwan

Taiwan, the most contentious issue in U.S.-China relations, situates prominently in the broader strategic picture. The 1978 communiqué that established Sino-American diplomatic relations did not bridge their differences, particularly regarding China's sovereignty over and right to use force against Taiwan and America's weapons sales to the island. Washington and Beijing agreed in the 1980s to put this issue on the backburner and focus on Cold War issues. However, Taiwan's political democratization since the late 1980s and, hence, the "localization" of its domestic politics has become a wild card that challenges the status quo. In particular, it undermined the American-Chinese tacit agreement that China would refrain from using force, and the U.S. would not encourage or support Taiwan's independence.

In the first half of the 1990s, Washington's outlook was significantly prejudiced by a host of other issues, such as the 1989 Tiananmen crisis, the collapse of communism in Eastern Europe and bilateral issues on human rights, trade, and non-proliferation. The resurgence of the Republican Party in Congress in 1994, moreover, further hardened Washington's position. This was also the period when Washington promoted the

[149] "Vietnam's Defense Minister To Meet Rumsfeld Monday," Washingtonpost.com, 4 November 2003, http://ebird.afis.osd.mil/ebfiles/e20031106231044 . html (4 November 2003).

[150] "Another Pacific Carrier Possible," *Washington Times*, 2 October 2003, p. 7.

expansion of democracy and a market economy worldwide (of which Taiwan was an ideological example). Against this backdrop, in 1995, President Clinton granted a visa for President Lee Teng-hui to visit the United States, preceding Taiwan's parliamentarian elections and, more importantly, its first direct presidential elections. These events triggered harsh Chinese reactions and the worst crisis in post-Cold War U.S.-China relations. China conducted a series of military exercises in the Taiwan Strait from 1995 to 1996 to influence the elections and deter any move towards independence. America responded by twice sending large naval forces to the waters around Taiwan, warning Beijing that any attack against the island would have "grave consequences."[151]

The crisis subsequently helped to reduce U.S.-China tension over Taiwan and encouraged the Clinton administration to pursue a policy of comprehensive engagement and strategic partnership with China. The issue entered a new phase with the current Bush administration, reflected in the president's statement in April 2001 that the United States would "do whatever it takes to help Taiwan defend herself."[152] The statement was subsequently moderated to be more in line with the prevailing policy of strategic ambiguity—leaving both Beijing and Taipei in the dark on what the United States would do if China attacked Taiwan or if Taiwan declared independence and provoked Chinese military action. Nonetheless, Washington's new hard line position is consistent with the strategy to deny a peer competitor for which Taiwan plays strategic and geopolitical roles. The U.S. is increasing weapon sales to and is developing closer military contacts with Taiwan. After 9/11, contention over Taiwan had declined, but all indications point to the strengthening of U.S.-Taiwan relations. Taiwan is an important link in America's security chain in the Western Pacific. Any conflict over Taiwan almost certainly will involve the United States, spreading into a Sino-American conflict that could spread throughout East Asia's maritime periphery, the choke point for China and America's East Asian allies.

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[151] Clough, Ralph N., *Cooperation or Conflict in the Taiwan Strait?*, pp. 1-7. Rowman & Littlefield, 1999.

[152] Lampton, David M. and Ewing, Richard D., *U.S.-China Relations in a Post-September 11th World*, p. 17. The Nixon Center, 2002.

4. The South China Sea and Freedom of Navigation

At the center of the South China Sea problem are the disputed claims of ownership of the Spratly and Paracel Islands between China (and Taiwan), the Philippines, Malaysia, Brunei, and Vietnam. The dispute also involves maritime boundaries between these countries and potentially with other non-claimants, such as Indonesia since China's claim potentially overlaps with many countries' exclusive economic zones. This dispute is *the* major problem between China and ASEAN, even though not all Southeast Asian countries are claimants, and China's assertiveness has frightened its smaller neighbors. China used arms in these islands: in 1974 to expel Vietnam and consolidate control over the Paracels; in 1988 in a brief but intense naval battle against the Vietnamese navy to occupy six reefs and establish a naval outpost; and in 1992 to seize and occupy an additional two reefs. It also occupied and built a structure on the Mischief Reef off Palawan Island (Philippines) in the mid-1990s, purportedly as a shelter for fishermen, but it actually represented "the most southerly projection of a Chinese presence and the first seizure of territory claimed by a member of ASEAN."[153]

In 1947 the Republic of China issued a map showing nine undefined, discontinued and dotted lines extended from its coastline to all of the South China Sea. The initial claim, made at a time when Asian nations were establishing modern states and defining the territories and boundaries, was presumably made to cover the islands and rocks therein.[154] China's maritime claim is based on the 1947 map; however, Beijing has yet to come out with a consistent position. Its claims to the island groups and to the whole South China Sea is inconsistent with the 1982 United Nations Convention on the Law of the Sea, which China ratified on 7 June 1996 and agreed should be the basis for resolving the dispute. China's claim upon the Spratlys is based on historical grounds of discovery and administration, but it cannot demonstrate a continuous administrative presence. Other claimants do not have stronger claims, except for effective occupation that Beijing, thus far, has not managed.

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[153] Leifer, Michael, "Chinese Economic Reform and Security Policy: The South China Sea Connection," *Survival*, Vol. 37, no. 2, Summer 1995, p. 50.

[154] Djalal, Hasjim, *Indonesia and the Law of the Sea*, pp. 370, 393. Center for Strategic and International Studies, Jakarta, 1995.

The fact that territorial disputes in the South China Sea only heightened at the beginning of the 1970s indicates that the strategic weight of the South China Sea had increased only gradually, commensurate with the increase in the material value (trade) that passed through these waters. The initial economic interest was over fishing, which began to develop in the early 1950s, while growth in shipping grew in tandem with growing trade. By the mid-1980s, China had become one of the world's foremost seafaring countries with a merchant marine "estimated to be at least the fourteenth largest in the world in terms of tonnage … In terms of numbers of vessels, China ranked eighth, directly behind the United States … [and] may be even higher in terms of true ownership."[155]

Oil is an important strategic factor in the South China Sea, in terms of potential offshore reserves as well as passage from the Middle East. China's seizure of the Paracel Islands in 1974 coincided with oil discoveries in the South China Sea. In the 1970s, regional countries, such as Indonesia, Malaysia, the Philippines and Vietnam began offshore drilling. China's claim over the whole of the South China Sea, which together with other claims have undermined the area's stability, is a result of "a growing desperation by Beijing to control the potential lucrative natural resources of the region" and, therefore, address its own problems growing out of resource shortages.[156] While the control of oil and other natural resources is an important consideration for Beijing, the territorial claim was made before oil was discovered, implying that energy is a recent consideration, and its importance may not have preceded China's deeper current of historical perception.

In 1992, China's National People's Congress promulgated the Law on the Territorial Sea and the Contiguous Zone of the People's Republic of China. According to the Law, China's territorial land "includes the mainland and its offshore islands, Taiwan and the various affiliated islands including Diaoyu Island, Penghu Islands, Dongsha Islands, Xisha Islands, Nansha (Spratly) Islands and other islands that belong to the People's Republic of China." China's claim, moreover, is not limited only to the disputed

[155] Greenfield, Jeanette, *China's Practice in the Law of the Sea*, p. 18. Oxford University Press, 1992.

[156] Studeman, Michael, "Calculating China's Advances in the South China Sea: Identifying the Triggers of 'Expansionism,'" *Naval War College Review*, Spring 1998, 68-73.

islands as the law implies claim over the entire South China Sea. As a manifestation of concern, ASEAN issued a declaration on the South China Sea in 1992 and again a statement in 1995 to voice its concern over China's actions to enforce its claim. China accommodated ASEAN's position in the latter half of the 1990s when it agreed to negotiate a code of conduct in the South China Sea on a multilateral basis, resulting in the ASEAN-China Declaration on Conduct in the South China Sea in 2002. This improving relationship occurred in tandem with overall improvements signified in closer cooperation within the ASEAN Regional Forum, the ASEAN-China summits, and in the bilateral context between China with all Southeast Asian countries. Furthermore, Beijing and Hanoi resolved their disputes in the Gulf of Tonkin at the end of 2000.

This is not to say, however, that the problem has been resolved. Beijing's main concern, other than its inability at this stage to project credible and sustainable military force to the region, is the potential intervention of other great powers, particularly the United States and Japan. Therefore, Beijing is interested in calming the fears of Southeast Asian countries, but it consistently rejects the involvement of "outsiders." In addition, all parties concerned are interested in freedom of navigation. The United States has not directly involved itself in the territorial claims, except for maintaining the importance of peaceful resolution and the guarantee of freedom of navigation. The United States seriously began to consider the implications of China's claims in the South China Sea and to shape a more assertive policy after the latter's occupation of some islets in 1992 and 1995. This occurred at a time of increased concern of China's growing military and its security policies, particularly regarding Taiwan. Stanley Roth, who was then a special assistant to the U.S. government, said in 1995 that the South China Sea would occupy, henceforth, a higher priority in his government's dialogue with Beijing.[157] The United States reportedly "committed itself to using American military force, if necessary, to keep international shipping lanes open in the South China Sea."[158]

On 21 August 1996, the United States sent Beijing a diplomatic note to state that Beijing's territorial claims contradicted international law, therefore indicating

[157] Son, Johanna, "China Gets Stern Warning on Spratlys," *Inter Press Service*, 2 May 1995.

[158] Kristof, Nicholas D., "The Real Chinese Threat," *The New York Times*, p. 50, 27 August 1995.

Washington's new policy of "active neutrality" in this issue.[159] Washington also indicated that it would intervene if freedom of navigation were threatened.[160] For its part, ASEAN has stressed the importance of freedom of navigation, at least since 1995, while Beijing has also acknowledged the importance of this regime. The United States recently objected to China's enactment of a new decree extending its control over its 200-mile exclusive economic zone and prohibiting any survey or mapping activities that can harm its national security.[161]

5. Trading Powers, Trading Region

Trade is an important component for evaluating China and the United States relations with Southeast Asia. While strategy and trade do not have direct linkages at all times, in times of general peace like today's post-Cold War period trade and economic matters, in general, gain significantly higher importance for states because they affect important segments of the population. Today more people are interested in and dependent upon trade and trade growth, and all states whose governments, democratic or otherwise, are concerned with economic growth will be interested in greater trade. More specifically in the strategic realm, trade facilitates closer political and strategic relations, particularly where political differences are minimal. As demonstrated above (II.b.1), Soviet naval presence in Southeast Asia in the late 1970s and early 1980s could have been better sustained if it had closer trading relations with the region rather than simply being tasked to deny the U.S. Navy access to the region.

Table 2 below provides trade data between Southeast Asia and both China and the United States between 1992 and 2001. The table divides Southeast Asia into the Mekong and insular/peninsular sub-regions to discern the impact of geography and proximity on trade and, in turn, on regional order. Trade trends appear to be drawing China and Southeast Asia closer together. As the data show, the growth rate of China-Southeast Asia commerce has been rapid, but in real terms the size has been moderate relative to

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[159] Lee, p. 143.

[160] Dobson William J. and Fravel, M. Taylor, "Red Herring Hegemon: China in the South China Sea," *Current History*, September 1997, p. 262.

[161] "China Enacts Law Extending Its Control," *Washington Times*, 27 January 2003, p. 1, http://ebird.dtic.mil/Jan2003/e20030127149431.html

their overall trade size. The annual rate of growth in 1992-2001 is between 2 percent (2001) and 35 percent (1995), discounting the growth in 1998 after Hong Kong's reversion to China. The growth rate is more rapid than Southeast Asia's trade with the United States. Furthermore, China and Southeast Asia have agreed to start negotiations for a free trade area, targeting 2010 as the start date, and they recently set $100 billions as a trade target for 2005. Moreover, trade relations are significantly larger between China and Southeast Asia's maritime sub-region than its Mekong sub-region, which comprises around one-fourth to one-fifth of the total amount. However, conceivably trade growth will accelerate as the infrastructural projects connecting China with the Mekong and up to Singapore are concluded; i.e., the Singapore-Kunming Rail Link, the Kunming-Bangkok highway, the dredging of the Mekong River, and the navigation of the Irrawaddy. These projects, moreover, are important to support the development of China's Yunnan Province and Western regions.

The United States remains the largest market for Southeast Asian countries. The region's trade with the U.S. almost doubled between 1992 and 2001, from over $66 billions to $118 billions, generally to the advantage of Southeast Asia. The majority of this trade, around 80 percent, takes place with the maritime region, showing the close economic relations and dependency it has with the United States. The Clinton Administration initiated trade liberalization in the early 1990s by empowering the Asia Pacific Economic Cooperation (APEC), but statistics indicate that America-Southeast Asia trade growth did not accelerate, in fact it slowed down after APEC's trade liberalization agreement in 1994. The Bush Administration intends to strengthen economic relations with ASEAN, and it has undertaken a number of initiatives toward that end, such as the Enterprise for ASEAN Initiative (EAI) launched by President Bush and ASEAN leaders in 2002. The EAI "will enhance already close U.S. ties with ASEAN" and is aimed at creating "a network of bilateral FTAs, which will increase trade and investment, tying more closely together our economies and our futures."[162] As in the case with China, Singapore is an agent for Southeast Asia's trade with the United States, accounting for almost one-third of the total amount.

[162] "Enterprise for ASEAN Initiative," Fact Sheet, White House, Office of the Press Secretary, October 26, 2002, http://www.state.gov/p/eap/regional/asean/fs/2002/16605.htm (14 November 2003)

Other than proximity, China's advantage over the United States also pertains to the role played by Southeast Asia's Overseas Chinese in promoting trade with China. Singapore and Hong Kong are centers of Overseas Chinese playing a large role that serves as the nexus of financial and transportation networks to and from China. Singapore facilitates the trade of other Southeast Asian countries through its port facilities and business networks with China. Singapore is also known to have invested heavily in China. For example, a number of Chinese ports are jointly managed with the Port of Singapore Authority. In 1991, Singapore initiated the Chinese Entrepreneurs Convention, which meets every two years, to strengthen the "Bamboo Network" of the Overseas Chinese. One of its outcomes was establishing the New China Hongkong Group in 1993 that brings together businessmen from Hong Kong, China, Singapore, Taiwan, Indonesia, and Thailand to invest in China's infrastructure, telecommunications and manufacturing ventures.[163] The Convention also established the Investment Foundation that has thus far built, with the cooperation of China's local government, four industrial parks in China.[164] The role of the Overseas Chinese—described by a Chinese leader as "bridges and bonds of ties as China opens up to the rest of the world and steps up its cooperation and exchanges with other countries and regions"[165]—will become increasingly important as the China-ASEAN free trade area materializes and expands.

The strategies of China and the United States have resulted in their intensified coexistence in East Asia's maritime region. Their grand and security strategies indicate that they are in competition and that Southeast Asia is an important competition arena to strengthen their influence. The next chapter will look into Southeast Asia's reaction to these strategies, particularly how the regional countries plan to order their region.

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[163] Rowley, Anthony, "The Emerging Chinese Challenge," *Business Times*, 6 December 1993 (www.nexis.com)

[164] "World Chinese Entrepreneur Convention Plans Industrial Park in Shanxi," *Financial Times Information*, 21 April 2003 (www.nexis.com). See also, "Scientific Park for Overseas Chinese Entrepreneurs Opens in Nanjing," *Xinhua*, 19 September 2001 (www.nexis.com)

[165] "China: Full Text of Li Ruihuan's Speech at the Entrepreneurs Convention," *British Broadcasting Corp.*, 17 September 2001 (www.nexis.com)

Table 2. Trade Statistics between Southeast Asia and China and the United States, 1992-2001 (in US$ million)[166]

(Note: Includes Hong Kong as of 1998)

			1992		1993		1994		1995		1996	
			China	U.S.	China	U.S.	China	U.S.	China	U.S.	China	U.S.
Insular/Peninsular Subregion	Brunei	x	…	28.0	…	29.0	…	43.0	5.0	67.0	1.0	76.0
		m	…	498.0	…	526.0	…	414.0	170.0	262.0	215.0	614.0
	Indonesia	x	1,396.0	4,419.0	1,249.0	5,230.0	1,445.0	6,382.0	1,742.0	6,322.0	2,057.0	6,795.0
		m	752.0	3,822.0	936.0	3,255.0	1,157.0	3,092.0	1,495.0	4,756.0	1,598.0	5,060.0
	Malaysia	x	772.0	7,594.0	1,204.0	9,580.0	1,933.0	12,448.0	1,889.0	15,313.0	1,882.0	14,251.0
		m	975.0	6,331.0	1,096.0	7,725.0	1,363.0	9,900.0	1,709.0	12,657.0	1,876.0	12,133.0
	Philippines	x	114.0	3,843.0	167.0	4,342.0	164.0	5,178.0	209.0	6,217.0	328.0	6,966.0
		m	184.0	2,626.0	182.0	3,532.0	320.0	4,162.0	660.0	5,225.0	653.0	6,243.0
	Singapore	x	1,113.0	13,396.0	1,905.0	15,074.0	2,098.0	18,093.0	2,759.0	21,576.0	3,395.0	23,062.0
		m	2,253.0	11,882.0	2,404.0	13,955.0	2,885.0	15,630.0	4,042.0	18,725.0	4,439.0	21,549.0
Sub-Total			7,559.0	54,439.0	9,143.0	63,248.0	11,365.0	75,342.0	14,680.0	91,120.0	16,444.0	96,749.0
Growth Rate			9%	17%	21%	16%	24%	19%	29%	21%	12%	6%
Share of Subregion			78%	82%	80%	82%	76%	82%	73%	83%	75%	83%
Mekong Subregion	Cambodia	x	…	…	…	…	…	…	16.0	5.0	20.0	4.0
		m	…	…	…	…	…	…	100.0	30.0	119.0	24.0
	Lao PDR	x	3.0	6.0	3.0	8.0	4.0	9.0	9.0	5.0	1.0	3.0
		m	31.0	1.0	41.0	5.0	40.0	6.0	22.0	2.0	23.0	2.0
	Myanmar	x	119.0	38.0	150.0	46.0	130.0	66.0	136.0	79.0	125.0	106.0
		m	285.0	5.0	357.0	14.0	406.0	12.0	680.0	18.0	573.0	35.0
	Thailand	x	386.0	7,303.0	430.0	8,005.0	914.0	9,706.0	1,642.0	10,078.0	1,868.0	10,026.0
		m	1,219.0	4,776.0	905.0	5,379.0	1,483.0	6,136.0	2,096.0	8,507.0	1,953.0	9,240.0
	Vietnam	x	96.0	…	111.0	…	174.0	50.0	362.0	170.0	340.0	204.0
		m	32.0	2.0	304.0	8.0	376.0	189.0	330.0	130.0	329.0	246.0
Sub-Total			2,171.0	12,131.0	2,301.0	13,465.0	3,527.0	16,174.0	5,393.0	19,024.0	5,351.0	19,890.0
Growth Rate			12%	20%	6%	11%	53%	20%	53%	18%	-1%	5%
Share of Subregion			22%	18%	20%	18%	24%	18%	27%	17%	25%	17%
TOTAL			9,730.0	66,570.0	11,444.0	76,713.0	14,892.0	91,516.0	20,073.0	110,144.0	21,795.0	116,639.0
Growth Rate			10%	18%	18%	15%	30%	19%	35%	20%	9%	6%

[166] Source: International Monetary Fund, Direction of Trade Statistics Yearbook (1995 and 2002)

			1997		1998		1999		2000		2001	
			China	**U.S.**	**China**	**U.S.**	**China**	**U.S.**	**China**	**U.S.**	**China**	**U.S.**
Insular/Peninsular Subregion	**Brunei**	x	1.0	97.0	3.0	204.0	15.0	391.0	57.0	378.0	136.0	385.0
		m	193.0	316.0	38.0	135.0	72.0	174.0	77.0	154.0	75.0	114.0
	Indonesia	x	2,229.0	7,154.0	3,697.0	7,046.0	3,339.0	6,908.0	4,322.0	8,489.0	4,891.0	9,916.0
		m	1,518.0	5,444.0	1,170.0	3,523.0	1,469.0	2,841.0	2,364.0	3,393.0	3,147.0	2,750.0
	Malaysia	x	1,852.0	14,553.0	5,404.0	15,885.0	6,093.0	18,553.0	7,468.0	20,162.0	7,884.0	17,816.0
		m	2,232.0	13,246.0	3,367.0	11,444.0	3,784.0	11,414.0	5,501.0	13,668.0	5,696.0	11,839.0
	Philippines	x	244.0	8,856.0	1,670.0	10,145.0	2,522.0	10,493.0	2,570.0	11,406.0	2,373.0	8,994.0
		m	972.0	7,624.0	2,499.0	6,561.0	2,266.0	6,366.0	1,986.0	5,325.0	2,212.0	4,993.0
	Singapore	x	4,053.0	23,122.0	13,285.0	21,856.0	12,730.0	22,055.0	16,218.0	23,891.0	16,149.0	18,755.0
		m	5,668.0	22,385.0	7,696.0	18,783.0	8,885.0	19,022.0	10,632.0	20,270.0	9,980.0	19,159.0
Sub-Total			18,962.0	102,797.0	38,829.0	95,582.0	41,175.0	98,217.0	51,195.0	107,136.0	52,543.0	94,721.0
Growth Rate			15%	6%	105%	-7%	6%	3%	24%	9%	3%	-12%
Share of Subregion			77%	83%	80%	83%	79%	83%	77%	81%	77%	80%
Mekong Subregion	**Cambodia**	x	59.0	86.0	69.0	293.0	47.0	236.0	31.0	740.0	22.0	832.0
		m	124.0	27.0	196.0	39.0	172.0	38.0	367.0	33.0	204.0	17.0
	Lao PDR	x	…	7.0	7.0	20.0	9.0	13.0	6.0	9.0	7.0	4.0
		m	5.0	1.0	29.0	4.0	35.0	1.0	46.0	5.0	70.0	4.0
	Myanmar	x	67.0	112.0	97.0	159.0	126.0	222.0	142.0	443.0	147.0	456.0
		m	627.0	22.0	537.0	35.0	518.0	13.0	644.0	19.0	617.0	13.0
	Thailand	x	1,744.0	11,154.0	4,554.0	12,175.0	4,840.0	12,667.0	6,280.0	14,706.0	6,161.0	13,246.0
		m	2,260.0	8,670.0	2,587.0	6,053.0	3,200.0	6,443.0	4,260.0	7,291.0	4,536.0	7,198.0
	Vietnam	x	474.0	287.0	758.0	469.0	982.0	504.0	1,852.0	733.0	1,158.0	1,035.0
		m	404.0	252.0	1,003.0	326.0	1,178.0	323.0	1,999.0	364.0	2,578.0	507.0
Sub-Total			5,764.0	20,618.0	9,837.0	19,573.0	11,107.0	20,460.0	15,627.0	24,343.0	15,500.0	23,312.0
Growth Rate			8%	4%	71%	-5%	13%	5%	41%	19%	-1%	-4%
Share of Subregion			23%	17%	20%	17%	21%	17%	23%	19%	23%	20%
TOTAL			24,726.0	123,415.0	48,666.0	115,155.0	52,282.0	118,677.0	66,822.0	131,479.0	68,043.0	118,033.0
Growth Rate			13%	6%	97%	-7%	7%	3%	28%	11%	2%	-10%

IV. SOUTHEAST ASIA'S POST-COLD WAR REGIONAL ORDER

By the end of the Cold War, the Soviet Union had left Vietnam and was reducing its overall presence in Southeast Asia. The United States, whose presence had been framed in the containment policy, was seemingly ready to go home, an indication given prominence with the closure of the Subic and Clark bases in the Philippines. A widely shared anxiety was present among the Association of Southeast Asian Nations (ASEAN) and other Southeast Asian countries that a reemerging China and a rearming Japan might fill the vacuum. China was a particular concern because of its lack of transparency on security matters. Therefore, ASEAN sought to engage the great powers through multilateral frameworks, for example the ASEAN Regional Forum (ARF) for security matters and the Asia Pacific Economic Cooperation (APEC) organization for economic matters. One of the consequences of this approach was diluting Southeast Asia's cohesiveness and identity. Chia Lin Sien predicts, "[i]t is unlikely that the countries of Southeast Asia can remain a regional entity in the form of ASEAN if recent moves to form larger economic groupings by incorporating the large North East Asian economies prove to be the forerunner of things to come."[167]

The financial, environmental, and political crises in and after 1997, as well as the expansion of ASEAN's membership underscored the need to focus on strengthening ASEAN's cohesiveness in the management of regional order. Meanwhile, the 1997 financial crisis also strengthened voices within ASEAN for stronger cooperation with Northeast Asian powers along with recognition for greater East Asian regionalism. These processes question the applicability of ASEAN's first concept of regional order, the Zone of Peace, Freedom, and Neutrality (ZOPFAN), at least in its traditional form. Alongside greater engagement with and greater autonomy from the great powers, as well as stronger relations with Northeast Asia, ASEAN's primary challenge for regional order will be managing the rise of China. As a matter of principle, the region has always been

[167] Chia Lin Sien and Martin Perry, "Introduction," in Chia Lin Sien (ed.), *Southeast Asia Transformed: A Geography of Change*, p. 35. Institute of Southeast Asian Studies, 2003.

concerned about both intra- and extra-regional affairs, with some countries favoring greater reliance on the major powers and others on autonomy. Southeast Asia's order is dynamic with different priorities taking precedence at different times.

A. OUTWARD LOOKING PHASE, 1992-97

The role of ASEAN in managing great power relations to resolve the Cambodian problem gave the regional organization confidence in its ability to invite and engage the great powers in the maintenance of the region's stability. In the early 1990s, ASEAN was also acutely aware of the need to reach an understanding with the non-ASEAN Southeast Asian countries on a regional order.

The debate in Southeast Asia in the late 1980s and early 1990s regarding the continuation of the American bases in the Philippines after the lease expired in 1991 was instrumental in forming ASEAN's position on great power politics. Singapore's Minister of State for Foreign Affairs, George Yeo, told the Singapore parliament that the American military presence was important to preserve the regional status quo and "until ZOPFAN is achieved, a continued U.S. presence in Southeast Asia is desirable."[168] He was of the view that Asia's prospect without U.S. forces for the next 20 years was frightening and "[a]ll our hopes for East and Southeast Asia may then come crashing down. Japan will be forced to rearm. China and Korea will oppose Japan and a whole chain reaction of destabilization will be triggered off in the region."[169] In 1990, the ASEAN Institute of Strategic and International Studies (ISIS) proposed in 1990 that the ASEAN Post-Ministerial Meeting (PMC) mechanism be used as a forum for regional security dialogue, an idea that was picked up by Singapore and Japan, while the United States opposed it out of preference for its bilateral defense arrangements.[170] The Philippines was receptive to a regional security forum similar to the Conference on Security and Cooperation in Europe (CSCE) while Thailand advocated inviting the United States, Russia, Britain, France and China to sign the Treaty of Amity and

[168] "Southeast Asia: Unease over Singapore Offer to Host U.S. Bases," *Inter Press Service*, 9 August 1989 (www.nexis.com).

[169] "ASEAN States Differ on Security Outlook," *Agence France Presse*, 19 January 1992 (www.nexis.com).

[170] Emmers, Ralf, "The Influence of the Balance of Power Factor Within the ASEAN Regional Forum," *Contemporary Southeast Asia*, No. 2 Vol. 23, 1 August 2001 (www.nexis.com).

Cooperation. Indonesia and Malaysia were initially doubtful about the usefulness of widening ASEAN's dialogue mechanism to cover the security field, arguing that ZOPFAN should be developed to also involve the great powers.[171]

The ASEAN leaders met for their summit in Singapore in January 1992, a few months after the United States announced in November 1991 its withdrawal from the Philippines. The summit laid the foundation for its post-Cold War strategy, declaring that the regional organization "shall move towards a higher plane of political and economic cooperation to secure regional peace and prosperity."[172] In the field of political and security, they agreed, on the one hand, to establish closer relations with the Indochina countries, and on the other hand, "to promote external dialogues on enhancing security in the region."[173] In economics, the ASEAN leaders, noting the formation of "large and powerful economic groupings among the developed countries" (in Western Europe and North America), established the ASEAN Free Trade Area (AFTA) and underlined the importance of "strengthen[ing] existing dialogue mechanisms and develop new ones where necessary for the enhancement of economic relations with … especially ASEAN's major economic partners."[174] The ASEAN leaders also strengthened ASEAN's institutional framework—a big step for an organization that is by nature usually shy of institutionalism—by agreeing to meet more regularly, to strengthen its secretariat, and to designate an ASEAN Secretary-General (from the previously "Secretary-General of the ASEAN Secretariat").

A growing consensus appeared by the end of 1992 on a means of improving the security framework. The foreign minister of Indonesia, Ali Alatas, gave the first indication when he delivered an address in Singapore. It appeared that his statement was calibrated to convey a consensus that ASEAN members generally agree on the continued presence of the United States as part of a four-pillar structure involving also Russia,

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[171] Surya Gangadharan, "South-East Asia: Dusting Off the ZOPFAN Idea," *Inter Press Service*, 12 July 1991 (www.nexis.com).

[172] Singapore Declaration of 1992, paragraph 2, Singapore, 28 January 1992, http://www.aseansec.org/1396.htm (13 April 2003)

[173] Singapore Declaration of 1992, paragraph 3.

[174] Singapore Declaration of 1992, paragraphs 5-6.

China and Japan.[175] He anticipated that "it is from the dynamics of this quadrangular power relationship … that much of a substance of the security environment of East Asia will be derived. And it is from these same factors that South-east Asia must anticipate the ultimate threats to its security."[176] To address those threats, he argued for the implementation of two concepts. The first one, which has been a persistent theme since ASEAN's founding,

> is subsumed in the policy of enhancing national resilience leading towards regional resilience, which is a concept of security that goes beyond military considerations alone. It is premised on the belief that, given the nature of the perceived threats, Asean security for some time to come will not solely, or even primarily, be a military problem.[177]

The second concept is packaged under ZOPFAN but "projected for wider regional acceptance and application," envisaged to be "a code of conduct governing relations of the states within the Zone among themselves as well as with those outside of it.[178] Foreign Minister Alatas remarked before the first meeting of the ASEAN Regional Forum that ZOPFAN, being a flexible blueprint, "is open to further refinement and adjustments in light of the rapidly changing global and regional environment. It endeavours to address the complexity of the geopolitical and strategic environment of the Asia-Pacific while fully taking into account the immense diversity of the countries in the region."[179]

Thus, ASEAN members agreed that the American presence was crucial and no longer a serious point of contention. They also agreed that ZOPFAN would continue to be acknowledged as the "broadly-gauged framework for greater peace and security" in Southeast Asia[180] and that the region should be nuclear-weapons-free while respecting

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175 "ASEAN Member-States Agree on US Presence in Region: Alatas," *Business Times* (Singapore), p. 2, 29 October 1992 (www.nexis.com).

176 "A Vision of Peace in SEA," *Business Times* (Singapore), p. 11, 29 October 1992 (www.nexis.com).

177 Ibid., "A Vision of Peace in SEA."

178 Ibid., "A Vision of Peace in SEA."

179 Alatas, ibid., p. 148.

180 Ibid., "A Vision of Peace in SEA."

nuclear weapon states' transit rights. Therefore, ZOPFAN would be used to keep the major powers "constructively engaged in the region."[181]

The consensus was further elaborated by the 26th ASEAN Ministerial Meeting. This is the organization's annual foreign ministers meeting and its most important politico-security institution. Held in Singapore in 1993, the 26th AMM agreed "that countries such as the United States, China, Japan and Russia can contribute to regional security through the maintenance of stable relationships and the adoption of positive policies towards the region."[182] Furthermore, the meeting agreed to institutionalize a new mechanism that involved both foreign affairs and defense ministries' senior officials (roughly equivalent to the deputy secretary level in the American system), which is a change from the earlier practice that never involved defense officials. This mechanism first met in 1992, known as the "special senior officials meeting," and was ASEAN's preparatory and substantive mechanism for the ASEAN Regional Forum (ARF).

1. Multilateralism and the ASEAN Regional Forum

The ASEAN Regional Forum convened its first meeting in 1994 at the ministerial level; its preparatory meeting, however, was organized a year earlier in Bangkok during which the senior officials of the participating countries drafted the agenda and created the forum's name.[183] Experts on Southeast Asia generally agree that the ARF has diluted Southeast Asia's concept of regional order based on autonomy even though, as Chapter II above shows, autonomy did not reflect the whole gamut of ASEAN's concept of regional order. As Amitav Acharya contends, "ASEAN came to accept the principle of 'inclusiveness' underlying the idea of cooperative security as an important new norm. This meant accepting the dilution of regional autonomy."[184] Michael Leifer questions whether "the concept of ZOPFAN applies in its original sense." While it "was a signal to outside powers that they should not intervene, the very nature of the ARF makes them a

[181] "Indonesia Revives the Peace Zone Idea," *The South China Morning Post*, p. 10, 30 October 1992 (www.nexis.com).

[182] *Joint Communiqué of the 26th ASEAN Ministerial Meeting*, paragraph 10, Bangkok, 23-24 July 1993.

[183] The 26th ASEAN Ministerial Meeting, for example, referred to the terminology "ASEAN Regional Forum."

[184] Acharya, *Constructing a Security Community in Southeast Asia*, p. 172.

party to the management of regional security matters not just in Northeast Asia but also in Southeast Asia."[185] Ralf Emmers argues that ZOPFAN "was made obsolete by the establishment of the forum."[186]

The forum's formation was part of a larger Asia-Pacific tendency towards multilateralism and the generally liberal climate of great power relations. Under such a climate, the great powers would for the most part assume that a relatively win-win situation would be attainable in a zero-sum context, achievable through closer and more frequent dialogue facilitated by international and regional organizations. Therefore, in spite of their intensifying coexistence in East Asia's maritime region and competing concepts of order, China and the United States were willing to engage in a dialogue in norms-based multilateral settings. Moreover, countries around the Pacific Rim were deeply concerned about the economic situation, especially the promise of "peace dividends" after the Cold War. One measure to increase prosperity was believed to be free trade, so the Asia-Pacific Economic Cooperation (APEC) organization was established to achieve this end. The ARF's challenge was to maintain not only peace but also prosperity.[187]

The ARF was developed as a diplomatic instrument for "denial of hegemony" through which to keep the United States engaged and "to lock China into a network of constraining multilateral arrangements underpinned hopefully by a sustained and viable American military presence."[188] For ASEAN, its approach to the ARF was pragmatic and normative based on its own experience in stimulating regional cooperation (the "ASEAN way"). It encouraged an early focus on dialogue and confidence building rather than the institutional aspect, believing that a rigid institutional process would unravel ARF's existence at its infancy since the major powers' preoccupation might be with their differences rather than with common interests and procedure rather than substantive matters. This is particularly true between China and the United States, whose relations in

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[185] Michael Leifer, interview, "Year 2000 'Blows Winds of Harmony to ASEAN 10,'" *The Jakarta Post*, 12 June 1997 (www.nexis.com).

[186] Emmers, ibid.

[187] The first paragraph of *The ASEAN Regional Forum: A Concept Paper* states among others: "The main challenge of the ASEAN Regional Forum (ARF) is to sustain and enhance this peace and prosperity."

[188] Michael Leifer, quoted in Emmers, ibid.

the first half of the 1990s were troubled by human rights, Taiwan, and non-proliferation issues. As a result, at its second meeting in Brunei in 1995, the ARF agreed that it would take a "gradual evolutionary approach" consisting of three stages: promotion of confidence-building measures, development of preventive diplomacy mechanisms, and development of conflict-resolution mechanisms.[189] The ARF agreed that it would move forward "at a pace comfortable to all," the forum's code for bridging the West (Australia, Canada, the United States), which wants a faster evolution, and China and others, which want a slower one. Although ASEAN countries were deeply concerned about China's ambitions in the South China Sea, they were cautious about pushing it too hard. Likewise, decision-making was based on consensus, which implies slow processes and avoids outright conflicts.

The normative approach is evident from the forum's 1994 endorsement of the purposes and principles contained in ASEAN's Treaty of Amity and Cooperation (TAC) "as a code of conduct governing relations between states and a unique diplomatic instrument for regional confidence-building, preventive diplomacy, and political and security cooperation."[190] Meanwhile, the major powers accepted ASEAN's central role with the provision that it "must always be sensitive to and take into account the interests and concerns of all ARF participants."[191] This role facilitated China's participation, and is particularly relevant since for many the ARF was aimed at managing China's reemergence and building confidence among the great powers on sensitive issues, such as the South China Sea, Taiwan, and North Korea. Over time, however, especially after the 1997 Asian financial crisis, ASEAN found it increasingly difficult to maintain its position in the driver's seat, and in some ways, its leading position was propped up by China. Western countries proposed to have the ARF chairmanship (thus initiative and some procedural control over the agenda) rotated with non-ASEAN members. Premier Wen Jiabao raised this point when he met his ASEAN counterpart in Bali in October 2003, reiterating China's support for "ASEAN's role as the primary driving force of the ARF

[189] "The ASEAN Regional Forum: A Concept Paper," paragraph 6, Bandar Seri Begawan, 1 August 1995.

[190] Quoted in "The ASEAN Regional Forum: A Concept Paper," paragraph 9.

[191] "The ASEAN Regional Forum: A Concept Paper," paragraph 4.

and its commitment to move the overlapping stages of ARF at a pace comfortable to all."[192] Beijing is understandably concerned that if a non-ASEAN country chaired the forum, it could increase the chances that the South China Sea and Taiwan, as well as other issues of Western concerns, could be raised and discussed in a more in-depth manner. Moreover, China's "new security concept" would likely strengthen ASEAN's norms of inter-state relations.

The ongoing discussion on ASEAN's role suggests that the great powers, and China in particular, have an interest in having an honest broker in their dealings and, hence, by extension will support Southeast Asia's efforts to remain autonomous, provided that the other great powers continue to be interested in that region. The South China Sea problem, however, poses a lingering doubt as to China's sincerity.

2. The South China Sea

The South China Sea is Southeast Asia's primary security concern because it is the only territorial dispute that threatens to invite China's military intervention, destabilize the region's geopolitical center, and disrupt the shipping lanes upon which much prosperity depends. The South China Sea issue embodies Southeast Asia's concern that China would fill the vacuum created by the departure of the Soviet Union from Vietnam and the United States from the Philippines. Beijing's refusal to discuss the problem in the ARF added to that concern. On the other hand, the dispute's peaceful management could act as a catalyst for better Southeast Asia-China security relations.

In the early 1990s, the overlapping claims involved ASEAN members (Brunei, Malaysia, and the Philippines), a non-ASEAN Southeast Asian state (Vietnam), and China. Indonesia, a non-claimant but with its waters adjoining the disputed territory, held informal dialogues as a confidence building measure. On 22 January 1990, Indonesia organized the Workshop on Managing Potential Conflict in the South China Sea, a track II event that would continue annually until 2001.[193] The first workshop was limited to

[192] *Joint Declaration of the Heads of State/Government of the Association of Southeast Asian Nations and the People's Republic of China on Strategic Partnership for Peace and Prosperity*, paragraph 6.5.

[193] Although formally a track II event, the workshops were organized by Indonesia's Foreign Ministry. The foreign minister opened and closed the workshops, while the ministry's director-general for research and development (ambassadorial level, equivalent to deputy/under secretary) chaired the workshops' sessions. The Canadian International Development Agency (CIDA) and the University of

ASEAN countries, but China, Vietnam, Laos, and Taiwan participated the following year. Indonesia's interest derived from its perception that "Politically, the South China Sea is bordered by a region of littoral and hinterland states with an unfortunately long history of endemic conflict and strife of recurrent intervention by and interplay with nonregional [sic] powers."[194] It is, thus, a continuing source of instability. The participants of the workshop, while not formally representing their governments, came up with a scheme to defuse tension by shifting attention from territorial disputes to joint cooperation. In this context, Premier Li Peng, in a visit to Singapore in 1991, expressed China's position that the disputing claims over the Spratly Islands should be shelved to make way for joint cooperation for the exploration and exploitation of natural resources.[195]

At the fourth workshop in 1993, the Indonesian foreign minister proposed to "upgrade" the workshop format and "to engage in a more formal government-to-government dialogue,"[196] but this was opposed by China. The workshop, nonetheless, laid the foundation for ASEAN's position and future agreement with China. In the ASEAN Declaration on the South China Sea of 1992, the regional organization pledged to

> [r]esolve without prejudicing the sovereignty and jurisdiction of countries having direct interests in the area, to explore the possibility of cooperation in the South China Sea relating to the safety of maritime navigation and communication, protection against pollution of the marine environment, coordination of search and rescue operations, efforts towards combating piracy and armed robbery as well as collaboration in the campaign against illicit trafficking in drugs.[197]

China on its part refused to discuss the South China Sea in the ASEAN Regional Forum, believing that this would invite the intervention of other great powers. China was

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British Columbia helped sponsor the workshops.

[194] Alatas, Ali, *A Voice for a Just Peace: A Collection of Speeches by Ali Alatas*, p. 315. PT Gramedia (Jakarta) in cooperation with the Institute of Southeast Asian Studies (Singapore), 2001.

[195] John W. Garver, "China's Push Through the South China Sea: The Interaction of Bureaucratic and National Interests," in *The China Quarterly*, p. 1016, December 1992. Garver wrote that "Indonesia picked up [Premier] Li's initiative [made in Singapore in August 1990 regarding joint development] and organized a quasi-official academic seminar on the issue in Bandung in July 1991." This observation is factually inconsistent with the series of events, since the workshop was first organized in 1990.

[196] Alatas, p. 324.

[197] *ASEAN Declaration on the South China Sea*, paragraph 3, Manila, 22 July 1992.

willing to depart from its earlier position of engaging only in bilateral negotiations thus entering a "limited multilateral approach" with ASEAN.[198] Since negotiations on sovereignty would most likely lead to a deadlock, ASEAN and China agreed to promote joint development and discuss peace and stability in the South China Sea without touching on the territorial disputes, particularly after China agreed to using the UN Convention on the Law of the Sea as one of the bases.[199] In 2000, ASEAN and China began negotiations on a code of conduct to govern relationships among the disputing and other parties in the South China Sea , leading to the adoption of a set of principles for conduct in the disputed territory. China agreed to an ASEAN stipulation that the parties refrain "from action of inhabiting on the presently uninhabited islands, reefs, shoals, cays, and other features."[200] However, China's call for the cessation of military exercises with external powers was accommodated only to the extent that Beijing would be notified, on a voluntary basis, when they take place. A look at the developments of events would suggest that China's willingness to stabilize the South China Sea disputes was accelerated after the Taiwan Strait crises in 1995 and 1996.

3. Between the Pacific Rim and East Asia: Growing Fissure in the Outward Orientation

Free trade was an important post-Cold War consideration for all countries. Southeast Asia's maritime region consists of traditionally trading entities, and this encourages ASEAN to pursue greater trade at the intra-Southeast Asia, Asia Pacific, and international levels. The ASEAN countries considered the world economic situation in the early 1990s as characterized by declining output, decelerating trade growth, and uncertain prospects for recovery.[201] In 1989, Australia's Prime Minister proposed establishing the Asia Pacific Economic Cooperation (APEC) organization as a vehicle to discuss trade and investment liberalization. ASEAN supported the initiative, provided that "ASEAN's identity and cohesion should be preserved."[202] These are central issues

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[198] Lee, p. 139.

[199] Lee, p. 140.

[200] *Declaration on the Conduct of Parties in the South China Sea*, Article 5, 4 November 2002.

[201] *Joint Communiqué of the 25th ASEAN Ministerial Meeting*, paragraph 30, 1992.

[202] Alatas, 343.

for ASEAN in any kind of outward looking enterprises. Moreover, reflecting the concern that Western Europe and North America might create closed economic blocs, ASEAN argued against "the formation of an inward-looking economic or trading bloc."[203] President Clinton's initiative to assemble APEC's leaders in Seattle in 1993 created momentum for region-wide trade liberalization. In 1993 ASEAN was talking about the need for "continued evolution of APEC as a consultative framework,"[204] but after President Clinton's initiative, ASEAN "welcomed the efforts of APEC in promoting greater economic cooperation and trade liberalization."[205] In spite of the rapid change, ASEAN managed to keep its identity, as evidenced by the fact that APEC summits are held in ASEAN countries every other year. In the meantime, as a manifestation of its outlook orientation, ASEAN encouraged the Asia-Europe Meeting (ASEM) in 1996 "as a means of establishing strong links between Asia and Europe at the highest level."[206]

As soon as APEC was created, dissent appeared in the ASEAN ranks spearheaded by Malaysia, which wanted to create an East Asia Economic Group (EAEG) and which objected to opening East Asia to North American trade while the latter maintained its regional trading bloc (the North America Free Trade Area). Malaysia also "resented the fact that APEC was an Australian initiative, that it was dominated by Western members at the expense of ASEAN, and that it did not reflect the level of de facto economic integration achieved within the East Asia region, which by some measures exceeded trans-Pacific integration."[207] The United States strongly opposed the EAEG, because Washington feared that it would draw "a line down the middle of the Pacific."[208] Discussions in ASEAN and with other East Asian countries tempered the idea. At Malaysia's urging, ASEAN agreed to promote the establishment of the East Asia Economic Caucus (EAEC) on the basis that "consultations on issues of common concern among East Asian economies will contribute to expanding cooperation among the

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[203] Alatas, 344.

[204] *Joint Communiqué of the 26th ASEAN Ministerial Meeting*, paragraph 31, 1993.

[205] *Joint Communiqué of the 27th ASEAN Ministerial Meeting*, paragraph 18, 1994.

[206] *Joint Communiqué of the 28th ASEAN Ministerial Meeting*, paragraph 18, 1995.

[207] Acharya, *The Quest for Identity*, p. 152.

[208] Bergsten, Fred, "Towards a Tripartite World," *Economist*, 15 July 2000 (www.nexis.com).

region's economies," but that the EAEC will be "a caucus within APEC."[209] China supported it as an economic forum but not a trade group.[210] The EAEC never materialized beyond communiqués, and by 1997 the ASEAN foreign ministers meeting merely noted "the increasing cooperation among the potential EAEC members and expressed the hope that the Caucus would soon be formally instituted for the benefit of its members."[211]

The 1997 financial crisis revived the Malaysian idea, although not the EAEC. In 1997, ASEAN leaders began to meet with the leaders of China, Japan and South Korea in the ASEAN+3 format and, separately, ASEAN+China, ASEAN+Japan, and ASEAN+Korea. Significantly, the first ASEAN+3 summit was hosted by Malaysia. The ASEAN+3 process resulted in much wider and deeper East Asian relations that were not limited to economic matters. At the 1999 ASEAN+3 summit, the leaders pointed to the "bright prospects for enhanced interaction and closer linkages in East Asia" and recognized that closer relations would strengthen "the elements essential for the promotion of peace, stability and prosperity in the region."[212]

Over the course of the next few years, ASEAN+3 deliberated on ideas for closer relations, such as establishing an "East Asia community" and an "East Asia Free Trade Area." President Kim Dae-jung of Korea was the major proponent of closer East Asia cooperation, seconded by Prime Minister Mahathir Mohamad of Malaysia. However, no consensus was reached within ASEAN on the pace of integration with the Northeast Asian powers. Indonesia and Singapore, for example, did not agree with Malaysia's idea of establishing an ASEAN+3 Secretariat. Indonesia was concerned that a too rapid integration would dilute the role of ASEAN and the identity of Southeast Asia, while Singapore was cautious about East Asia's cooperation being at the expense of Southeast Asia's strong relations with the United States and potentially stronger relations with other parties, such as the European Union, Australia, and India. Indonesia also objected to any

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[209] *Joint Communiqué of the 26th ASEAN Ministerial Meeting*, paragraphs 29-30, 1993.

[210] "China Supports EAEC as Economic Forum: FM," *Xinhua General Overseas News Service*, 24 July 1993 (www.nexis.com).

[211] *Joint Communiqué of the 27th ASEAN Ministerial Meting*, paragraph 39, 1997.

[212] *Joint Statement on East Asia Cooperation*, paragraph 2, 1999.

quick formation of the East Asia community and free trade area, preferring a gradual approach. Meanwhile, China and Japan were more interested in pursuing their bilateral relations with ASEAN rather than on the broad East Asian cooperation. The prime reason for the fissuring was China.

4. ASEAN Plus China

ASEAN+China was undoubtedly the most progressive among the "+1s," in spite of the comparatively recent relationship. China became ASEAN's "dialogue partner" only in 1996, even though political consultations had begun earlier. In their 1997 joint statement, ASEAN and China agreed that they should "resolve their differences or disputes through peaceful means," including on the South China Sea issue.[213] China and the Republic of Korea (ROK) committed to "respect and support the efforts of ASEAN to establish a Zone of Peace, Freedom and Neutrality in Southeast Asia."[214] Japan, on the other hand, reflecting its strategic outlook, simply "recognized the importance which ASEAN attached" to ZOPFAN.[215] In 2003, China acceded to the Treaty of Amity and Cooperation in Southeast Asia, implying that China would be legally constrained from using force in its relations with Southeast Asian countries. Beijing also committed to accede to the Treaty of Southeast Asian Nuclear Weapons Free Zone only *after* the other nuclear weapon states have agreed to it.

At their recent summit in Bali in 2003, ASEAN and China agreed that their relationship "will serve the immediate and long-term interests of both sides and is conducive to peace and prosperity in the region," therefore, building on this, they agreed to establish "a strategic partnership for peace and prosperity."[216] The purpose is "to foster

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[213] "ASEAN-China Cooperation towards the 21st Century," *Joint Statement of the Meeting of Heads of State/Government of the Member States of ASEAN and the President of the People's Republic of China*, paragraph 8, Kuala Lumpur, 16 December 1997.

[214] "ASEAN-China Cooperation towards the 21st Century," paragraph 9 and "ASEAN-ROK Cooperation towards the 21st Century," *Joint Statement of the Meeting of Heads of State/Government of the Member States of ASEAN and the Prime Minister of the Republic of Korea*, paragraph 4, Kuala Lumpur, 16 December 1997.

[215] "ASEAN-Japan Cooperation towards the 21st Century," *Joint Statement of the Meeting of Heads of State/Government of the Member States of ASEAN and the Prime Minister of Japan*, paragraph 4, Kuala Lumpur, 16 December 1997.

[216] *Joint Declaration of the Heads of State/Government of the Association of Southeast Asian Nations and the People's Republic of China on Strategic Partnership for Peace and Prosperity*, paragraph 3, 8 October 2003

friendly relations, mutually beneficial cooperation and good neighbourliness" on the basis that it is "non-aligned, non-military, and non-exclusive, and does not prevent the participants from developing their all-directional ties of friendship and cooperation with others."[217] This formulation implies that the two sides are not developing binding strategic relations and Southeast Asia maintains its autonomy. Nonetheless, the fact that their relations have grown stronger signifies China's growing clout and stature. Another part of the agreement commits ASEAN and China to expand cooperation in non-traditional security issues, to hold security-related dialogues when appropriate, and to cooperate closer in the South China Sea.[218]

While on the whole Southeast Asia appears receptive to China's political initiatives, China's weight in the economic sphere is even more significant. The extent of Chinese influence varies between Southeast Asia's maritime and Mekong sub-regions. The Chinese ambassador to Indonesia, Lu Shumin, linked economic to political relations:

> China and ASEAN are geographically close to each other, which constitutes a geographical advantage for developing the economic and trade cooperation between them. Enjoying good political relations, a solid foundation for developing economic and trade cooperation, the two sides have mutual needs for each other's products, since their economies are strongly complementary.[219]

A number of economic trends have occurred in ASEAN's relations with China. First, the bulk of Southeast Asia's trade with China came from the old ASEAN members, which with the exception of Thailand are from the maritime sub-region. As Table 2 reveals, there was a marked increase in ASEAN's exports to China, particularly after Hong Kong's reversion to China's sovereignty and because of the yuan's stability while Southeast Asian currencies fell after the 1997 crisis. Second, China places great interest in infrastructural projects in the Mekong sub-region that facilitates exchanges of goods and people with its Yunnan province, such as the Singapore-Kunming rail link, the Kunming-Bangkok highway, and the dredging of the Mekong/Lancang River. China's

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[217] *Joint Declaration of the Heads of State/Government of the Association of Southeast Asian Nations and the People's Republic of China on Strategic Partnership for Peace and Prosperity*, paragraph 4.

[218] *Joint Declaration of the Heads of State/Government of the Association of Southeast Asian Nations and the People's Republic of China on Strategic Partnership for Peace and Prosperity*, paragraph 6.4.

[219] "'ASEAN One of China's Most Important Partner,'" *The Jakarta Post*, 2 October 2003, http://www.thejakartapost.com (1 October 2003).

Yunnan province anticipates that its exports of electronic and agricultural products to Vietnam's Haiphong port and, eventually, the international market will increase tenfold from the current volume of 500,000 tons after railway connections have been improved in 2008.[220] Beijing also lends support to various ASEAN initiatives for Mekong region development.[221] Finally, ASEAN has accepted China's push to create a free trade area, after Beijing managed to dispel the concerns of many Southeast Asian countries that their products would compete rather than complement each other. When they met for their eighth summit in Cambodia in 2002, the leaders of ASEAN and China signed the "Framework Agreement on Comprehensive Economic Co-Operation between ASEAN and China." The agreement lays the groundwork for the eventual establishment of an ASEAN-China Free Trade Area (FTA) by 2010 for the older ASEAN members and by 2015 for the newer members.[222] The FTA is a "key pillar" in their economic cooperation.[223]

Interdependence, therefore, is growing more rapidly in the economic rather than politico-security fields. The FTA, however, has a strong political component. According to Zhang Yunling, head of the Institute for Asia-Pacific Studies at the Chinese Academy of Social Sciences, the FTA is a form of "political confidence-building" and a way for China to balance and respond to U.S. unilateralism as well as to challenge Japan's economic predominance in East Asia.[224] Moreover, the fact that ASEAN countries enjoy a surplus in their China trade—at $4.8 billion in 2001 and expected to rise to $6 billions in 2002[225]—makes China even more attractive politically. Singapore's *Straits Times* projects that "with its [China's] growing economic might comes political and strategic

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[220] "Cosy Neighbors," *Economist*, 6 November 2003, http://www.economist.com (8 November 2003).

[221] "ASEAN-China Dialogue," ASEAN Secretariat website, http://www.aseansec.org/5874.htm (13 November 2003).

[222] "ASEAN-China Dialogue," ASEAN Secretariat website, http://www.aseansec.org/5874.htm (13 November 2003).

[223] *Joint Declaration of the Heads of State/Government of the Association of Southeast Asian Nations and the People's Republic of China on Strategic Partnership for Peace and Prosperity*, paragraph 6.2.

[224] "China-ASEAN Trade: Enough for Everyone," *Far Eastern Economic Review*, 13 June 2002 (http://www.feer.com).

[225] Rising China to be key importer of Asean goods," *Straits Times*, 30 August 2002, http://straitstimes.asia1.com.sg/asia (30 August 2002).

clout."[226] Even in Indonesia, Southeast Asia's most independent minded country, China "is perceived as a partner and has a welcome role in establishing a new geopolitical balance in the region."[227] In Indonesia, China's share of foreign direct investment approvals "rose dramatically to 67 per cent from a previous average of less than one per cent."[228]

There was an apparent concern within ASEAN of growing too close too rapidly with China, which in turn sought to maintain the close relations with the United States. Singapore is the strongest advocate of having close relations with and maintaining balance between the United States and China. Prime Minister Goh Chok Tong, after signing the United States-Singapore Free Trade Area Agreement, called on "the United States to be more involved and to embed itself in what he sees as East Asia's growing regionalism … [that] is essential for strategic balance and peace in the Asia-Pacific."[229] Singapore's Senior Minister Lee Kuan Yew maintained that U.S.-China relations, even after 9/11, "are still central to the East Asia strategic balance."[230] The Philippine's secretary of foreign affairs, Blas F. Ople, made a passionate appeal for continued U.S. presence, because

> not just the Philippines but Asia as a whole needs America now more than ever. The U.S. is helping us fight domestic terror groups and regional terrorist networks. It's keeping the lid on the Korean peninsula. It's ensuring that sea lanes vital to our prosperity stay open … Without them, there would be no stability in Asia.[231]

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[226] "China's star rises … Japan's sun sets," *Straits Times*, 17 November 2003, http://straitstimes.asia1.com.sg/asia (17 November 2003).

[227] "Chance to reduce reliance on the West," *Straits Times*, 17 November 2003, http://straitstimes.asia1.com.sg/asia (16 November 2003).

[228] Ibid.

[229] "Be more involved in region, US urged," *Straits Times*, 9 May 2003, http://straitstimes.asia1.com.sg/topstories (8 May 2003).

[230] "The East Asian Strategic Balance After 9/11," Address by Senior Minister Lee Kuan Yew at the International Institute for Strategic Studies Asia Security Conference, 31 May 2002. See also, "SM Lee sees US-China ties as key to East Asia's future," *Straits Times*, 24 September 2002, http://straitstimes.asia1.com (24 September 2002).

[231] Ople, Blas F., "Why Asia Needs America," *Time* (Asia), 24 March 2003, http://www.time.com/time/asia/covers/501030324/viewpoint.html (5 April 03).

A similar case was made by the Philippine's under secretary of foreign affairs in 2001, who described his country as "the best ally of the US in this part of the world."[232]

B. INWARD LOOKING PHASE, AFTER 1997

Those views represent ASEAN's outward looking orientation and are situated at one end of the spectrum. At the other end, other ASEAN countries considered it essential to strengthen cohesiveness, particularly after the induction of the new members. After the 1997 financial crisis, there was an apparent swing back to strengthening internal cohesion and identity. The greater focus on the inward-looking orientation took place even when ASEAN was continuing its outward cooperation. For example, the Enterprise for ASEAN Initiative with the United States and the holding of the first ASEAN+India summit, both emerged in 2002.

1. Membership Expansion, Geographic Division

In the early 1990s, the regional organization improved relations with the non-member Southeast Asians. In 1994, at the 27th ASEAN Ministerial Meeting, the foreign ministers of all ten Southeast Asian countries met for the first time as one group, during which they "reiterated their commitment to building a Southeast Asian community through common membership in ASEAN."[233] Similarly, at their summit in Bangkok in 1995, ASEAN leaders met for the first time with their counterparts from other non-ASEAN Southeast Asian countries. The ASEAN leaders stressed their commitment "to the establishment of an ASEAN comprising all countries in Southeast Asia," based on the TAC and the Declaration of the ASEAN Concord 1976.[234]

There were idealist reasons for their incorporation into ASEAN, such as the vision of ASEAN's founding fathers "that the Association is open for participation to all States in the Southeast Asian region."[235] Realist reasons also existed, namely to seek strength from numbers and collective action with the hope of being able to restrain the

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[232] Baja, Lauro L., "Where are Our Foreign Affairs?" *Manila Bulletin*, 25 April 2003 (www.nexis.com).

[233] *Joint Communiqué of the Twenty-Seventh ASEAN Ministerial Meeting*, paragraph 3.

[234] *Bangkok Summit Declaration*, paragraph 7, 1995.

[235] *The ASEAN Declaration*, paragraph 4, Bangkok, 8 August 1967.

major powers. Incorporating Vietnam in 1995 not only ended the Cold War in Southeast Asia but also enhanced regional solidarity, and in turn opened the way for incorporating Cambodia, Laos, and Myanmar.[236] As one observer said, "once the problem of reconciling with Vietnam was overcome, it was as if a logjam had been broken and with certainty and a comprehensive policy of engagement in place, it was logical to bring together all the Southeast Asian countries."[237] For Vietnam, joining ASEAN enabled it "to cope better diplomatically with China."[238] Incorporating the new members brought traditional Indochinese conflicts into ASEAN, thus further debilitating the organization as it appeared unable to deal with intra-regional problems. These include the traditional Thai-Vietnam and Thai-Myanmar antagonism. The challenge is how they would resolve those distrusts.

Different from the older members who are (except Thailand) from Southeast Asia's maritime region, the new members are located in the continental (Mekong) sub-region. As indicated in Table 2, their trade with China and the United States is limited to around one-fifth to one-fourth of Southeast Asia's total. They are, nonetheless, located at China's immediate periphery and are subject to direct Chinese influence. Strategically, the ASEAN region is no longer primarily maritime and open to mainly U.S. influence, but it now contains a continental sub-region that borders China. Moreover, one ASEAN member, Myanmar, maintains close political and security relations with China, although Myanmari nationalism should not be underestimated. As a result, ASEAN is more receptive to Chinese influence in the Mekong sub-region, even though it has also become more influential in China's strategic calculus. A case in point was Beijing's diplomatic involvement when violence broke out in Phnom Penh threatening the Thai embassy and Thai interests, almost drawing a Thai military response.[239]

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[236] "Regional Solidarity as Vietnam Joins ASEAN," *The Straits Times*, p. 26, 19 June 1995.

[237] Leifer, *The Jakarta Post*, 12 June 1997.

[238] "Regional Solidarity as Vietnam Joins ASEAN."

[239] "China summons Cambodian and Thai ambassadors," *Straits Times*, 1 February 2003 http://straitstimes.asia1.com.sg/asia/story (1 February 2003), and "Thais were ready for battle," *Straits Times*, 7 February 2003, http://straitstimes.asia1.com.sg/asia/story (7 February 2003).

2. The 1997 Crises

The 1997 financial crisis hit at the time ASEAN was expanding its membership and engaging the Northeast Asian powers with a view to closer integration. Indonesia, ASEAN's largest and most influential member, was hardest hit by the crisis, which in turn weakened ASEAN. This was apparent during the East Timor crisis of 1999, when the regional organization was unable to deal with the situation, at the cost of diminishing international stature. To add to regional rows, in 1997 major forest fires broke out in Sumatra and Kalimantan (Indonesia) that blanketed Brunei, Malaysia and Singapore, creating an environmental crisis and health issues in these countries. Furthermore, instabilities in Indonesia reverberated throughout Southeast Asia, directly affecting the region's attractiveness for foreign investment. The foreign investment record of ASEAN especially fared poorly before China's competitiveness. Furthermore, Indonesia's democracy growing pains and slow economic growth have impacted on its ability to control its waters, causing a rise in threats to the region's waters while inviting an increase in foreign naval presence (e.g., India).

The economic crisis weakened ASEAN's ability to integrate the newer members. At the same time, the crisis "stimulated a new sense of East Asian regionalism and brought the countries closer together."[240] Fred Bergsten called the crisis as "[t]he single greatest catalyst for the new East Asian regionalism."[241] The crisis also reduced the region's confidence of the International Monetary Fund over its "mistakes" in handling the crisis.[242] Furthermore, the crisis weakened ASEAN's ability to respond as a group to trade arrangements with other countries . Consequently, the membership is now divided between those that are ready and eager to establish free trade arrangements with other countries (Singapore, Thailand and, lately, Malaysia), those that are eager but slow in formulating its position (Indonesia, Philippines), and the Mekong countries that are still getting their economic system in order. ASEAN decided in 2000 that it would not

[240] Tommy Koh, quoted in "East Asia seeks its own voice," *Financial Times* (London), 14 May 2001 (www.nexis.com).

[241] Bergsten, opcit.

[242] "Asia links up," *Financial Times* (London), 10 April 2001 (www.nexis.com).

formulate a common position; Prime Minister Goh Chok Tong of Singapore told his Southeast Asian counterparts, "those who can run faster must be allowed to so."

3. Regional Integration and Regional Identity

Southeast Asia's regional integration and identity moved on two broad fronts: economics and politics. The 1992 summit initiated the ASEAN Free Trade Area (AFTA), which went into effect in 2002 and is supported by other agreements and instruments. The 1992 summit also paved the way for sub-regional economic cooperation schemes to accelerate economic growth, for example BIMP-EAGA (Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area), IMT-GT (Indonesia-Malaysia-Thailand Growth Triangle), and IMS-GT (Indonesia-Malaysia-Singapore Growth Triangle). In addition to AFTA, the organization agreed on a set of measures for economic integration, such as the establishment of an ASEAN Investment Area, an ASEAN Investment Plan, and an ASEAN Investment Code.[243] Economic integration is also supported by the development of transportation infrastructure, trans-boundary gas pipelines, power grids, and telecommunications networks.[244] For trade, according to one estimation, "there has been a growing tendency for ASEAN to trade more of its GDP intra-regionally," starting from low levels of intra-regional trade and in spite of the important role of extra-regionalization.[245]

A major economic undertaking was integrating the Mekong sub-region. At its 2000 summit in Singapore, the regional association promoted the Initiative for ASEAN Integration (IAI) "to narrow the divide within ASEAN and enhance ASEAN's competitiveness as a region … [by providing] a framework for regional cooperation through which the more developed ASEAN members could help those member countries that most need it."[246]. Prime Minister Goh Chok Tong of Singapore gave his reason for the IAI, "We know that alone, we are weak if we negotiate with others outside ASEAN,

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[243] Acharya, *The Quest for Identity*, p. 150.

[244] Suryodipuro, Sidharto, "ASEAN: The Challenge of Integration, Cohesion, and Maritime Cooperation," *Indonesian Quarterly*, pp. 214-15, Vol. XXX/2002, No. 2.

[245] Jessie P.H. Poon, "Trade Networks in Southeast Asia and Emerging Patterns," in Chia Lin Sien, *Southeast Asia Transformed*, pp. 397-99.

[246] *Press Statement by Chairman, 4th ASEAN Informal Summit*, paragraph 1, Singapore, 25 November 2000.

but together if we can really be integrated we will be strong, and the integration goes beyond the normal discussion on free trade area. We're talking about our physical integration as well."[247] The IAI was particularly relevant since it was initiated by the proponent of the outward-looking orientation, and it had provided the impetus for further actions to integrate the Mekong sub-region, such as the Roadmap for the Integration of ASEAN.

Apart from economics, by the latter half of the 1990s, it became evident that regional integration should run deeper if Southeast Asia intended to maintain economic competitiveness. In 1995, the ASEAN leaders made their initial vision for the organization, namely "to create a caring, cohesive and technologically advanced ASEAN community, whose strength lies in a common regional identity."[248] The vision was further developed into the lofty ASEAN Vision 2020. It envisioned the association to be, by 2020, "a concert of Southeast Asian nations, outward-looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies." The vision was formulated before the full impact of the 1997 financial crisis became evident. Afterwards, it was clear that Southeast Asia needed deeper integration to stay competitive and maintain its identity. Thus, in the late 1990s the organization agreed that "the challenges posed by its expansion, human rights, governance, and the environment" required efforts "guided by the larger interest of ASEAN mutual solidarity, unity and cohesion."[249]

The natural consequence was to discuss the possibility of adjusting or jettisoning ASEAN's tradition of non-interference and, instead, embrace "constructive intervention." The proposal made in the late 1990s by Malaysian Deputy Prime Minister Anwar Ibrahim, Philippine Foreign Minister Domingo Siazon, and Thai Foreign Minister Surin Pitsuwan, intended primarily to enable ASEAN to change the political and economic systems of the newer members. The proposal, however, was turned down by the other ASEAN members. As a compromise, the foreign ministers reached an understanding,

[247] "Leaders launch 'Initiative for ASEAN Integration'" *Channel NewsAsia*, 25 November 2000 (www.nexis.com).

[248] Bangkok Summit Declaration of 1995, Bangkok, 14-15 December 1995.

[249] *Chairman's Press Statement on ASEAN 3rd Informal Summit*, paragraph 6, Manila, 28 November 1999.

during their annual meeting in Manila in 1998 on the basis of a proposal by the Indonesian foreign minister to undertake "enhanced interaction." The first consequence of this understanding was the establishment of a new practice called, in the ASEAN parlance, the "foreign ministers' retreat." The first retreat in 1999 held "frank and candid discussions on the need for ASEAN to adapt to the challenges posed by its expansion, human rights, governance, and the environment."[250] Retreats were held every year to discuss sensitive and strategic issues that generally were not revealed to the public until consensus had been reached. In addition to the retreat, the foreign ministers agreed to set up an "ASEAN Troika" on a case-by-case basis. The troika system of past, current, and next chairmen was first used to address the Cambodian crisis of 1997-98. Prime Minister Chuan Leekpai of Thailand proposed at the 1999 ASEAN summit in Manila to institute the troika. Subsequently, it was adopted at the 33rd AMM in Bangkok, "to address more effectively and cooperate more closely on issues affecting regional peace and stability."[251]

A conscious effort to strengthen regional cohesion is the resolution of territorial disputes. This process was spearheaded by Indonesia and Malaysia, which submitted their dispute over Sipadan and Ligitan islands to the International Court of Justice, whose decision in 2002 ended the dispute. Indonesia and Vietnam agreed on their maritime boundaries in May 2003,[252] while Malaysia and Singapore have also agreed to bring their dispute over Pedra Branca (Pulau Batu Puteh) to the ICJ. Indonesia and the Philippines have begun negotiations to determine their maritime boundaries.[253] In the past, Southeast Asians generally opted to set aside territorial disputes in order to focus on common interests and build confidence. After the Cold War and as the UN Convention of the Law of the Sea goes into force, the resolution of these disputes become essential for regional cohesion, particularly since territorial disputes are one of the biggest sources of

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[250] *Chairman's Press Statement on ASEAN 3rd Informal Summit*, Manila, 28 November 1999.

[251] "Foreign ministers approve setting up of Troika," *Business Times* (Malaysia), 26 July 2000 (www.nexis.com)

[252] "RI, Vietnam to finalize sea border agreement," *Jakarta Post*, 11 May 2003, http://www.thejakartapost.com (10 May 2003).

[253] "RI, RP to discuss maritime borders next month," *Jakarta Post*, 4 January 2002, http://www.thejakartapost.com (4 January 2002).

conflicts.[254] The resolution of intra-ASEAN territorial problems will be important when discussing the South China Sea problem with China. This was demonstrated during negotiations for the code of conduct in the South China Sea, 2000-2002, when procrastination more often occurred within ASEAN than between ASEAN and China.

Recently, ASEAN took another step to strengthen regional integration through the agreement to establish the "ASEAN Community" based on the security, economic, and socio-cultural aspects. True to the outward-inward dynamics within ASEAN, the security community would be based, on the one hand, on the understanding of the ARF as "the main forum for regional security dialogue, with ASEAN as the primary driving force," and, on the other, on the exploration of innovative ways to increase security through "norms-setting, conflict prevention, approaches to conflict resolution, and post-conflict peace building."[255] A wholly new issue pertains to maritime cooperation, which has never been considered before as an overarching issue. The summit stated,

> Maritime issues and concerns are transboundary in nature, and therefore shall be addressed regionally in [sic] holistic, integrated and comprehensive manner. Maritime cooperation between and among ASEAN member countries shall contribute to the evolution of the ASEAN Security Community.[256]

President Megawati in her press statement added, ""we underlined the need to establish an ASEAN maritime forum."[257] The relevance of the maritime forum is to bridge the gap between ASEAN political and economic ministers, between ASEAN as a political zone and as a free trade area.[258]

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[254] Kocs, Stephen A., "Territorial Disputes and Interstate War, 1945-1987," *Journal of Politics*, Vol. 57, Issue 1, p. 159, February 1995.

[255] Declaration of ASEAN Concord II (Bali Concord II), Bali, 7 October 2003, http://www.aseansec.org (10 October 2003).

[256] Ibid, paragraph 5.

[257] Press Statement by the Chairperson of the 9th ASEAN Summit and the 7th ASEAN+3 Summit, paragraph 15, Bali, Indonesia, 7 October 2003, http://www.aseansec.org (10 October 2003).

[258] Suryodipuro, opcit, p. 218.

In sum, ASEAN's post-Cold War regional order strategy oscillated between outward and inward orientations. The outward strategy occurred at the time of uncertainties about China's intentions and, therefore, a great need to maintain U.S. presence. On the other hand, a primarily inward looking strategy was undertaken when cohesion and identity became urgent as China was growing into the region's indispensable power and the region was in danger of losing its identity.

V. CONCLUSION

People in Southeast Asia realize that, as their history of the last half a millennium has taught them, great power presence is not a matter of choice but a fact of life, and that the region's order is a function of great power interaction. The end of the Cold War, therefore, marked the end of an era in the region's history, and it was greeted with both relief and anxiety. The region had been spared from the possibility of nuclear exchanges between the Soviet Union and the United States, but it was uncertain how regional security would evolve in light of China's reemergence and the U.S. response to it. Southeast Asians are keenly aware that while the Soviet Union (until its demise) and the United States have always been free to choose to be *in* the region, they are not *of* the region as China is.

In the post-Cold War era, great power relations increasingly are focused at the regional level. Therefore, the security concerns of regional countries and the great powers, as well as their strategies to address those concerns, are best understood through a regional approach. The review in Chapter I of various concepts reveals a consensus among observers that geography, particularly geographic propinquity, is an essential element in the security calculations of regional countries and the great powers. A geopolitical approach has been revived in theoretical constructions and policy formulations.

This thesis discovered that Southeast Asia's regional order—that is, its mode of conflict management—is the result of interaction between its inward- and outward-looking orientations. Under this framework, Southeast Asia's concept of regional order during the Cold War could be divided into two phases. In the first phase, 1967-78, the regional order was significantly inward looking, indicated by the adoption of the concept of the Zone of Peace, Freedom and Neutrality (ZOPFAN) and the Treaty of Amity and Cooperation in Southeast Asia (TAC) by the first ASEAN summit in Bali in 1976. The ZOPFAN concept envisaged limiting great power presence and influence as a way to keep the peace. Differing security interests, however, made the observation and implementation of ZOPFAN difficult. Countries like Indonesia and Malaysia tended

towards maintaining the region's neutrality and freedom of action because their security concerns were primarily internal. Countries like Singapore, the Philippines, and Thailand were more concerned about external threats and needed the protection of the United States and other Western powers in a security arrangement. In the latter portion of this period, great power relations were characterized by rapprochement between the United States and China and by relaxation of tension between the United States and the Soviet Union.

Drastic changes came after 1978 with Vietnam's invasion of Cambodia and the Soviet's invasion of Afghanistan that stoked tensions between China and the United States versus the Soviet Union. Heightening Cold War tensions had strengthened relations between China, the United States and ASEAN but had divided Southeast Asia between ASEAN and Vietnam-led portion of Indochina. This is the second phase of ASEAN's order that lasted until 1992, and it was signified by diluting its autonomy for the sake of maintaining close relations with the Sino-American camp to oppose Vietnam's occupation of Cambodia.

After the end of the Cold War, Southeast Asia continued its outward-looking path until 1997 when it refocused its priority on its inward orientation. The outward orientation reflected the concern about unstable great power relations. A review of China and the U.S. security strategies in Chapter III reveals their intensifying interaction and coexistence in the Western Pacific, creating a strategic competition that is unpredictable and possibly be unstable. China is a continental country seeking to consolidate its influence in its continental neighborhood in Central and Southeast Asia while expanding it in East Asia's maritime region. China is increasingly dependent on Southeast Asia's waters for its security and economic well being. The United States seeks to prevent the rise of a peer competitor and identifies China as one of the most likely future competitors. While China's maritime security is based on the "first island chain" strategy, the U.S. strategy is based on the "places, not bases" approach that widens the U.S. presence in Southeast Asia.

Since the end of the Cold War, Beijing has sought to create a stable environment to facilitate its economic development. This effort was accelerated in the mid-1990s,

conceivably encouraged by the Taiwan Strait crisis of 1995-96 that brought China and the United States into near confrontation. China engaged Southeast Asia more closely in security and economic matters through the ASEAN+China framework established in 1997. The United States, on the other hand, is the post-Second World War primary power in the region and ASEAN has been predisposed towards the United States. The U.S. military is the ultimate guarantor of East Asia's maritime order, most notably evident in the South China Sea territorial disputes. In this case, the United States pressured the claimants, particularly China, not to use force. The United States, however, has little security influence over Indochina, except in Thailand, while it is relatively diminishing in the insular/peninsular sub-region compared to China's. Similarly, in the economic sphere Southeast Asia's trade with China has grown at a much faster rate than with the United States. If in the early 1990s America's trade with Southeast Asia was about seven times larger than China's, by 2001 it was only two times larger because China's trade with Southeast Asia has been growing much faster than America's trade with this region.

The end of the Cold War strengthened the ASEAN's outward orientation. Regional countries were anxious that a reemerging China might seek to fill the vacuum left by the Soviets and Americans. Moreover, the promise of "peace dividends" encouraged ASEAN countries, which were mostly dependent on international trade for prosperity, to strengthen ties with other countries and regions. They were also concerned that Western Europe and North America were forming closed trading blocks. Finally, there was a general consensus on the need to engage all the great powers. Even ASEAN countries that championed regional autonomy, such as Indonesia, agreed to a balance of engagement with China, Japan, the Russian Federation, and the United States. A fissure emerged, in fact, in the outward orientation after Malaysia pushed for the establishment of an East Asia Economic Group. This idea was not supported within ASEAN and beyond, although it later reemerged as ASEAN+3, which was centered upon ASEAN+China relations.

After 1997, three developments had weakened ASEAN's outward orientation. The first was the expansion of ASEAN's membership to include Vietnam (1995), Laos and Myanmar (1997), and Cambodia (1999). ASEAN thus not only became a regional

organization divided geographically, politically, and economically, but it had also expanded to China's border and sphere of interest. The second development was the 1997 financial crisis, followed by political crises in a number of ASEAN members, that weakened ASEAN's ability to maintain the region's order and identity. At the same time, the crisis made the region much more susceptible to China's advances. In this context, the third development was Southeast Asia's increasing perception of China's indispensability for the region's economic well-being and security.

The 1997 crisis became a turning point for a more inward looking orientation. Economically and politically, Southeast Asia moved to strengthen regional integration and regional identity. These are evidenced in various initiatives in the latter 1990s and early 2000s. Among the central efforts was fashioning closer integration between the newer members in the Mekong sub-region and the ASEAN traditional geographical core in the insular/peninsular sub-region, to prevent the Mekong countries from integrating more rapidly with China than within ASEAN. Therefore, ASEAN's decision to transform into a security community was a natural evolution for closer integration and a stronger identity to address the divisive impact of Sino-American strategic competition.

The idea of Southeast Asia as a zone of peace, freedom and neutrality (ZOPFAN) can and will remain as an important guidance, not entirely as ZOPFAN's authors had intended more than three decades ago but as ASEAN's post-Cold War strategists has adapted to deal with great power realities. Although the Cold War has ended, geopolitical realities remain, that Southeast Asia is a great powers' arena and, therefore, the key issue is how to manage peaceful relations within the region, by both regional countries and the great powers. ASEAN's successful integration will contribute to the region's role as a buffer in, and catalyst for, a more stable Sino-American competition.

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