

CHINA'S IMPACT ON REGIONALISM IN EAST ASIA

IMPACTO DA CHINA NO REGIONALISMO DO LESTE DA ÁSIA

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Abstract: This paper is concerned with exploring the post-Cold War role that China has assumed in East Asia and its contribution to the informal regionalism that has defined the region. East Asia's informal regionalism has been predicated upon concerns regarding national sovereignty as well as historical and cultural differences, which has created challenges for a conflict-free regional dialogue that can work to address the region's often interdependent economic and security interests. By placing East Asia within a historical perspective, China's impact on the general concept of East Asian regionalism, the "crisis-driven" model of East Asian regionalism, and the emergence of an effective regional leader is examined. Moving forward, this paper puts forth considerations regarding the future of East Asia in terms of dealing with China's growing power and aspirations, the consolidation of its regional dialogue, and furthering the region's mutually advantageous economic and security cooperation.

Key words: China; Regionalism; East Asia; ASEAN.

Resumo: Este artigo trata do papel do pós-Guerra Fria que a China tem assumido no Leste asiático e sua contribuição para o regionalismo informal que tem definido a região. O Regionalismo informal do leste da Ásia foi baseado sob o respeito à soberania nacional, bem como com as diferenças históricas e culturais, que criaram desafios para um diálogo regional não conflituoso que pode funcionar para direcionar os interesses de independência econômica e de segurança da região. Ao situar o Leste da Ásia dentro de uma perspectiva histórica, o impacto da China no conceito geral de regionalismo, o modelo "crisis-drive" de regionalismo do leste asiático, e a emergência de uma efetiva liderança regional são aqui examinados. Indo além, este artigo apresenta quatro considerações a respeito do futuro do leste asiático que tratam do crescimento do poder da China e aspirações, a consolidação do diálogo regional, que promovam vantagens na cooperação econômica e de segurança na região.

Palavras-chave: China; Regionalismo; Leste da Ásia; ASEAN

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Introduction

China began to accelerate its participation in regional institutions, including The Association of the Southeast Asian Nations (ASEAN), after the Cold War came to the end. Even though China's interests may coalesce well with the informal regionalism of East Asia, it did not have much choice in the form the regional institutions took, as they were already created for decades by the time China became heavily involved. China concerns itself with both economic and security regionalism, while often utilizing economic regionalism to achieve short-term and long-term strategic goals. Furthermore, regional states have employed security regionalism as a means to reinforce their economic aspirations. As a result, China's impact on East Asian regionalism can really be felt from the 1990s onwards, has been noticeable in terms of both economic and security considerations, and is a relatively recent phenomenon.

This paper shall look first at the nature of regional arrangements in East Asia and how China's interests complement this framework despite its relative absence from the formative years of East Asian regionalism. Second, it is argued that China's participation in East Asian regionalism, in an attempt to improve its own image and to advance its own economic and strategic goals, has impacted the region in both positive and negative ways.

Informal Regionalism in East Asia

China's approach to East-Asian regionalism complements the trend in the region towards regional dialogue. Regional dialogue reflects the region's desire to conduct both economic and security regional arrangements in an informal manner and to base it upon consultation and discussion. These informal regional institutions directed at consultation and dialogue includes ASEAN. Furthermore, it has been found that Asian economic regionalism is informal and based upon cooperation because it is 'crisis driven,' and acts in response to problems that arise (YUZHU, 2011: 197). This is distinct from formal institutional arrangements, which involves "the transfer of national state powers to a supra-national body" (BACH, 1997: 137). In sum, the concepts of informal and formal regionalism refer to regional frameworks that are predicated upon intergovernmental and supranational arrangements, respectively. China's tendency towards informal or soft regional arrangements is rooted in

two reasons common to China and the region as a whole: the desire to preserve national sovereignty and the region's historical and cultural differences.

First, in the face of the East Asian region's experience with colonialism and imperialism, national sovereignty has been vehemently protected. While there is a strong desire for East Asian nations to pursue particular policy goals through regional institutions, national sovereignty rights remain paramount and these nations are unwilling to sacrifice them in return for these regional goals (ZHAO, 2009: 10). Sovereignty would be sacrificed because some decision-making powers may have to be relinquished to regional bodies in order to effectively coordinate and implement particular policy initiatives. Suisheng Zhao (2009) emphasizes how weaker nations are unwilling to turn over elements of their national sovereignty in fear that it will be used by "the great powers to reassert influence in new ways," while China evaluates any handing over of its national sovereignty to regional institutions within a cost-benefit analysis framework, where the benefits must significantly outweigh the costs (ZHAO, 2009: 10). Placed within a historical context, it can be found that Asian regional institutions were created at a time when "the main concern of regional actors was to preserve the modern nation-state as a permanent feature of the Asian political order," and this concern is reflected in the origins of East Asian regionalism (or in the formation of ASEAN in 1967) (ACHARYA, 2004: 158-159).

Second, there is a lack of historical and cultural similarities in East Asia of the type that acts to unify other regions such as Europe, especially when it comes to the region's immensely varied political systems, and these differences have impeded the region's ability to organize in a formal manner (ZHAO, 2009: 9). China has adopted a harmonious world policy that complements the region's historical and cultural differences and greatly shapes China's approach towards regional institution building. This policy emphasizes tolerance and the peaceful "coexistence of diversified civilizations" (ZHAO, 2009: 9). Informal and soft regional institutions based upon consultation can be a useful path towards achieving regional cooperation and forming a regional identity among these diversified nations under normal conditions and in times of crisis, and in line with China's interests. However, it is debatable whether or not these sharp historical and cultural differences between East Asian nations are enough to classify them as being "diversified civilizations" instead of simply diversified nations.

Security and Economic Regionalism

China's regional involvement after the Cold War began through steady and progressive participation with ASEAN, a process that really established itself after the 1997 Asian financial crisis, which "led to the ASEAN plus One (10+1) and ASEAN plus Three (10+3) cooperation frameworks, under which the leaders of China and ASEAN meet informally every year" (YUZHU, 2011: 202-203). ASEAN plus One includes China, while ASEAN plus Three brings China, Japan and South Korea into the fold, which allowed ASEAN to establish a regional dialogue with these strong regional powers who were not formal members of the organization. China's impact during the 1997 financial crisis was quite significant and presented an opportunity for it to assert itself as a strong and cooperative regional power (BEESON, 2011: 361). For example, China refused to devalue its currency and provided financial assistance to numerous regional states affected by the crisis (XIAO, 2009: 305). Furthermore, China exited the financial crisis rather unscathed and in good economic health, providing it with power and influence that could be wielded over the region's nations that were weakened by the ordeal, and thus the ability to shape the direction of East Asian regionalism in successive years. China's impact on East Asian regionalism has strengthened the region in some respects and weakened it in others. China and ASEAN nations have placed a strong emphasis on both security and economic regionalism, with economic regionalism playing a large role in national and regional security strategies, and vice versa.

China's rise has been interpreted to be a large security threat to East Asia by nations within the region and is commonly referred to as the "China threat" (XIAO, 2009: 308). For one, China's economic success and increased participation in regional and global issues has caused it to upset the regional balance of power (GERSTL, 2008: 133). Moreover, China has destabilized the region through various disputes over sovereignty rights to islands and maritime areas in the South China Sea, while regional states believe China to be a threat to their internal stability. These factors, along with China's military expansionism over the past two decades in general, has seen ASEAN respond by integrating China into regional institutions in order to socialize it into adopting regional norms and as a way of institutionally constraining its actions (GOH, 2007: 13).

China's security and strategic concerns have also seen it heavily engage with East Asia. The primary regional objectives for China are combating the threat of encirclement and ensuring

regional stability, as a step towards “Beijing’s key strategic aim”, which is “to attain ‘comprehensive national strength’ through concentrated socio-economic development, achieved by embracing economic globalization” (GOH, 2007: 14). China’s own strategic aims as a nation involves the region in a big way. In order to secure its goal of comprehensive national strength, China has had to engage the region by reducing conflict and disputes, and by growing its economy, which has consequently benefited the region as well.

Since China has embraced a harmonious world policy and aims for regional peace, it has subsequently adopted a neighborhood diplomacy approach to regionalism. This neighborhood diplomacy is focused on ASEAN and ASEAN+3 as China’s desired “main channel for Asian regional cooperation” (XIAO, 2009: 318). China’s involvement with ASEAN has been based upon mutual benefits that emerge as a result of continued engagement and economic integration. For ASEAN, Chinese engagement provided an opportunity to benefit from the economic success China has experienced post-crisis and to use it as a competitive challenge, a new market for exports and investments, and a new source of capital. Meanwhile, China found that ASEAN was an avenue to dispel the regional image of China as a threat, and could therefore improve its image among its neighbors through a mutually beneficial economic relationship (XIAO, 2009: 308).

Despite the utility of this neighborhood diplomacy approach for China in maintaining a peaceful and mutually beneficial economic relationship with the East Asian region, it is not without its problems. China and East Asian nations will still have to continue to balance the neighborhood diplomacy approach—predicated on peace, stability, and security and economic benefits—against China’s military expansionism, concerns of domestic interference and destabilization, and the ongoing territorial disputes in the South China Sea. These considerations are not easily reconcilable and, in fact, may never be congruent. China’s tactic of using peaceful economic relationships to dispel its threatening image among East Asian nations can presumably only go so far if China does not also demonstrably tone down its actions that are eliciting such a reaction from the region in the first place. It is in this way that China’s approach to regionalism could be seen as an attempt by China to ‘have its cake and eat it too’; continuing its ill-received actions on one hand, while engaging in mutually beneficial relationship on the other (with hopes that it will also mitigate the consequences of the former).

Nevertheless, the extent of the region's economic integration can be seen with the recent establishment of the China-ASEAN free-trade area in 2010 and its positive effect on the economies of East Asian nations. It is clear that economic considerations are big incentives for all East Asian nations to cooperate and work with China and together as a region. Economic regionalism is desirable because it enhances the strength and power of individual nations, while also bleeding into the broader strategies. However, economic considerations have often been seen to be the paramount objective of East Asian nations over security concerns, with security regionalism being "commonly accepted as a means of managing regional conflict to enable governments to concentrate on economic development" (GOH, 2007: 16). Therefore, the interaction between economic and security regionalism flows both ways, with economic integration reinforcing security goals and security integration reinforcing economic goals.

Moving forward China is going to have a distinct preference for continuing and deepening economic regionalism as it is perceived to be an avenue to good relations with other nations, is essential to its long-term strategic goals, and because the strength of China's economy is a crucial component to ensuring domestic social and political stability. Wang Yuzhu (2011) highlights many of the concerns that underscore China's current preference for economic regionalism. He states that despite the success of the export-driven, 'world factory' model of economic development, it is not sustainable for long-term economic growth in China. This has raised concerns that the model's unsustainability can threaten social stability, especially in regards to the problems potential unemployment may create (YUZHU, 2011: 199-200). With a desire to shift the economy towards domestic consumption, economic regionalism can be an avenue to address markets, trade restrictions, protectionism, energy consumption, and can even be used strategically in the years to come (YUZHU, 2011: 199-200).

Regional Crises and Leadership

Crises of various kinds frequently pose security threats to states and regions and have continued to unify the East Asian region in fostering the conception of a neighborhood. China has played a noticeably large role in the successful responses to crises that have threatened regional security. In addition to the aforementioned 1997 financial crisis, Ren Xiao (2009) points to SARS and the avian bird flu epidemics of the 2000s as instances where China's involvement helped facilitate quick and effective responses (XIAO, 2009: 310). While

China's short-term impact is its large effective role in crisis mitigation, the long-term impact of such initiatives has been an "important change of mindset in Asia," where East Asian nations are coming to appreciate the benefits that continued and extensive cooperation can have for themselves and the region as a whole (XIAO, 2009: 310).

While its actions have not been altruistic, China has surely been essential in promoting this attitude change and has used problems that transcend national borders and its own economic success to foster this sense of community. A sense of neighborhood may go a long way to eventually breaking down the historical and cultural barriers that have prevented formal regionalism, and could lead to the eventual establishment of a European Union style regional arrangement. Although the EU style regional arrangement may not be in China's long-term interests, closer ties with regional states are, as these arrangements will work to guarantee and sustain long-term economic and security benefits for both China and the region. Crises that transcend national borders appear to be opportunities for China to capitalize on facilitating closer connections with neighboring countries, and thus furthering a regional identity in the process.

China's competitive relationship with Japan is a situation that has surely impacted the development of regionalism in East Asia, although perhaps not in an intentional manner. The ongoing competition between China and Japan has prevented either of them from asserting themselves as an effective regional leader (ZHAO, 2009: 8). There are strong arguments that point towards regional leadership as a requirement for regionalism to flourish, as it helps formulate a common goal for regional states to organize around (LIU, 2003: 79). For example, Mark Beeson notes how an absence of regional leadership had a great effect on the region post-1997 financial crisis. He argues that "the lack of effective leadership in East Asia in the wake of the first crisis," helped to intensify much of East Asia's role in facilitating the 2008 financial crisis through its recycled currency reserves (BEESON, 2011: 362). Furthermore, a regional leader could counter the protectionist tendencies East Asian nations have assumed after the 2008 crisis (OKAMOTO, 2011: 316).

Especially, since East Asian regionalism is crisis driven, a leader to ground and coordinate regional action after these crises would benefit the development of the region. Rather than China or Japan assuming a leadership role, China has expressed support for ASEAN to assume the role of a regional leader, as it diffuses tensions between China and Japan and is

believed to be in the region's best interests (XIAO, 2009: 318). In the face of such divisive competition, this alternative could be an opportune way of continuing regional dialogue while minimizing tensions and furthering regional ties. Even though China may have hindered the ability of the region to establish a nation state as a regional leader by way of competition with Japan, the alternative it supports is interesting. ASEAN is composed of some of the weaker nations in East Asia, at least in comparison to China and Japan. By allowing ASEAN to take the reins with China's approval, it may give these weaker states an ability to shape the region in ways not possible alone or while having China in opposition.

However, it warrants mention that leadership by its very nature is an ever-shifting concept and, as a result, ASEAN may be limited in its ability to shape the region in the future in this capacity. As distinct from hegemony, Richard Stubbs defines leadership as being "exercised on a issue-by-issue basis" (STUBBS, 2014: 536-537). While this idea of leadership complements the crisis-driven model of East Asian regionalism, this also means that ASEAN's leadership role can be supplanted as issues come and go. Since East Asian regionalism is informal, this means that China, with its military and economic preponderance in the region, may attempt to assume a leadership role on certain issues when it finds it in its best interests to do so. This tenuous nature of leadership could restrict the ability of ASEAN to shape and stabilize the region. Therefore, despite China's expressed support for ASEAN leadership, it may be misguided to depend on ASEAN for regional leadership in the long-term, and its leadership capacity would most likely become further overshadowed if and when China ever attained hegemonic status in the region.

Conclusion

The numerous security, economic, strategic and domestic factors touch upon in this paper that are poised to dictate China's future regional involvement are sure to shape the future of regionalism in East Asia as a whole. With China continuing to rise as not only a regional power but a great power as well, these factors will also continue to shape the region's perception of China. By continuing and deepening economic integration with China, regional states can guarantee their economic vitality as China continues to rise. China's desire to redirect their economy towards domestic consumption means various East Asian nations may have to adjust their economic strategies to accommodate this shift. Furthermore, China poses a security threat to the region for a variety of reasons, but political and economic integration

at a regional level has been seen to be one of the best methods to contain the threat.

It is clear that China has impacted the East Asian region both positively and negatively and will continue to do so in significant ways. China's economic interests and role in various crises have helped it integrate itself into the region and the region's unity has been deepened through strengthened trade and financial flows, and transnational problems. China's security interests have been more contentious with regional states becoming increasingly cautious of China's security aspirations. However, it can be argued that the region has unified to a degree around the security threat China has posed, that it has been utilized as a way to deepen economic ties in the region, and has contributed to creating a regional identity. As a result, the future of East Asia may be a balancing act between China's economic and security contributions to the region, and one that will continue to be complicated by sovereignty concerns, as well as historical and cultural differences.

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