

A changing dynamic in the region

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As Premier Wen Jiabao makes his visit, it's worth looking at an aspect of China's diplomacy that has received scant attention in Australia: the transformation of Beijing's relations with ASEAN and that body's individual members. In little more than a decade, China has changed in the eyes of Southeast Asian governments from being an actual or potential economic and political threat to becoming the region's paramount power.

How did this come about, and what does it mean for Australia's interests in Southeast Asia, as well as for our alliance with the US? These are important questions when there is much in US policy that is unpalatable to Southeast Asians including, as one senior regional figure put it to me recently, the American tendency to construe policies on the basis of moral absolutes.

Worry about China as a destabilising force was a significant reason for ASEAN's formation in 1967. China supported revolutionary parties and insurgencies in Indonesia, Malaysia, Thailand and Burma until the end of the 1970s, and it denounced Southeast Asian leaders whom it saw as supporters of the US during the Cold War.

Deng Xiaoping's accession to power after Mao's death signalled change. And the movement away from a revolutionary foreign policy accelerated under Jiang Zemin, who sought better relations with Southeast Asia under Beijing's policy of "Good Neighbourliness".

By the early '90s China and the countries of Southeast Asia were moving towards a new and improved set of relationships as Beijing resumed diplomatic relations with Laos and normalised relations with Hanoi and Jakarta. At the same time as China pursued these bilateral relationships it established official links with ASEAN, becoming part of the ASEAN Regional Forum in 1994.

Nevertheless, China reawakened the worst fears about its intentions when, in 1995, it occupied Mischief Reef in the South China Sea's Spratly archipelago, a reef that is also claimed by The Philippines and Vietnam. For the countries of Southeast Asia it seemed possible that Beijing's demonstrations of goodwill were illusory.

China's action brought a sharp and unified response from the countries of ASEAN, with their foreign ministers making clear their deep displeasure at a meeting in Hangzhou in April 1995. This was a starting point in what many now describe as China's "charm offensive" towards Southeast Asia.

For although Beijing maintained its "indisputable" claim to sovereignty over the South China Sea, it agreed that disputes over the Spratlys should be settled peacefully. This change in tone was accompanied by a pattern in which China increasingly upgraded the quality of its diplomatic representation in Southeast Asia.

Then, in 1997, it matched actions to words during the Asian financial crisis in a manner that contrasted sharply with the perceived overbearing manner of the International Monetary Fund. It made a generous loan to Thailand, joined in fund raising for Indonesia, and did not devalue the yuan, which would have put further pressure on Southeast Asia's struggling currencies.

Since then, relations between China and Southeast Asia have blossomed, despite another Mischief Reef hiccup in 1998 and Beijing's readiness to react sharply to any suggestion of a failure to back its "one China" policy in relation to Taiwan, as Singapore's Lee Hsien Loong found when he visited Taipei in 2004.

Much of China's foreign policy approach contrasts sharply with that of the US. With the very particular exception of its readiness to criticise any perceived discrimination against overseas Chinese, it refrains from comment on the internal policies of its Southeast Asian neighbours; maintains an extremely active program of high-level visits, as is the case with Wen Jiabao's present program; and is tolerant of the countries of ASEAN having a range of foreign relations, including with the US.

It is this last approach that justifies describing China as a regional paramount power rather than as a hegemon, a power that brooks no alternative source of influence. Nowhere is this clearer than in relation to Cambodia, where what was previously so offensive to the Chinese was Vietnam's untrammelled influence in Phnom Penh.

As China lauds its "strategic relationship" with Indonesia, its "golden moment" in relations with The Philippines, and is embraced by Cambodia as its "most trusted friend", it is a power that must be considered in all of the region's decisions.

None of this need mean that China's role in Southeast Asia is likely to be exercised seriously contrary to Australia's interests in the foreseeable future, nor should it affect our relations with the US. But it will mean that there will be occasions when, because of China's influence, Southeast Asian states will make different choices from our own.

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