

China-Southeast Asia Relations: Developing Multilateral Cooperation

by Carlyle A. Thayer
Professor of Politics
Australian Defence Force Academy

During the third quarter, China reaffirmed its support for multilateralism by attending a series of meetings held in conjunction with the annual gathering of ASEAN foreign ministers and by hosting a four-nation ministerial conference on drug control. On the bilateral level, Thailand's prime minister visited China, while Li Peng, chairman of the Standing Committee of China's National People's Congress, journeyed to Hanoi. China and ASEAN were still unable to reach agreement on a Code of Conduct for the South China Sea. Officials are now studying a compromise formulation drafted by the Philippines.

The ASEAN Meeting Process

In the third quarter of each year ASEAN holds its annual ministerial meeting (AMM) of foreign ministers. The AMM is then followed by a meeting between ASEAN and its 10 dialogue partners, and a meeting of the ASEAN Regional Forum (ARF). In recent years, an additional meeting between ASEAN and China, Japan, and South Korea (ASEAN Plus Three) has become a regular feature. China was represented by Foreign Minister Tang Jiaxuan, who used the setting to reaffirm China's support for regional multilateralism.

Tang first attended the ASEAN Plus Three meeting on July 24 and reiterated China's support for the process. In a speech to the ASEAN Post-Ministerial Conference on July 26, Tang called for enhanced multilateral regional cooperation to deal with the negative effects of globalization and transnational issues. Tang called upon the developed countries to "reduce or waive their debts or extend the repayment period," provide economic aid, technical assistance and technology transfers, and open their markets and reduce trade barriers. Tang also called upon developed countries to "promote reforms in the international financial setup, launch a new round of WTO trade negotiations, [and] narrow the development gap." At the China-ASEAN dialogue meeting, Tang made three suggestions for cooperation: raising the level of political relations; deepening mutual cooperation in five key areas (agriculture, human resources, Mekong River development, information and communication technologies, and mutual investment); and strengthening coordination in international and regional affairs.

The Eighth ASEAN Regional Forum, held on July 25, was notable for its adoption of three major documents – the Paper on Concepts and Principles of Preventive Diplomacy, the Terms of Reference for the ARF Experts/Eminent Persons Register, and the Paper on the Enhanced Role of the ARF Chair. Tang indicated China's caution in proceeding too quickly down the multilateral path in this area: "The Chinese side supports the Forum in making efforts to implement the relevant documents where consensus has been reached..." Tang argued that "Principles such as non-interference in each other's internal affairs and consensus-building, which have taken shape and proved to be effective should continue to be observed." On the question of multilateral cooperation in dealing with transnational security threats, Tang was more forthcoming. He declared that "China is in favor of progressive development of dialogue and cooperation by the Forum in the non-traditional security field and stands ready to take an active part and play its due role."

Immediately following the ASEAN annual meetings in Hanoi, China made a strong push to encourage the formation of a free trade area (FTA) embracing China and all 10 ASEAN members. This proposal was put to a meeting of senior economic officials in Brunei in mid-August. Chinese delegates proposed tariff reduction and other measures to be phased in over seven years from 2003-09. The Chinese representatives stated that a free trade area would produce a division of labor in which China would focus on labor-intensive products and leave skilled manufacturing production to ASEAN countries. ASEAN representatives responded cautiously, proposing a 10-year phase-in period without specifying a starting date. Some observers felt that a successful China-ASEAN FTA could serve as a model for Japan and South Korea.

Multilateral Efforts to Control Illegal Drugs

In recent years there has been an explosion in the production of chemical drugs in the Golden Triangle area of mainland Southeast Asia. Myanmar has been identified as the major source for the production of methamphetamines. It is estimated that 800 million tablets are produced annually. Both China and Thailand have become alarmed by the rise in illegal drug use. Thai Prime Minister Thaksin Shinawatra has made drug control one of his top priorities. He has continually pressed China to join in multilateral efforts to control the illicit drug trade. China has responded cautiously.

In July, China's minister of public security, Jia Chunwang, was dispatched to Bangkok for discussions with his counterpart, Gen. Thammarak Issarangkura na Auuthaya, head of the Narcotics Control Board. Their discussions focused on stemming the flow of precursor chemicals used in drug production, drug control along the Mekong River, and a proposal for a four-nation drug summit. As a result of Thai prodding, China agreed to host a ministerial meeting of officials from Myanmar, China, Laos, and Thailand in Beijing in late August. China was leery, however, about Thailand's push to have China host a summit of government leaders.

On Aug. 28, the four-nation ministerial meeting on drug control was held in Beijing. China was clearly concerned not to be seen as interfering in Myanmar's internal affairs and gave cautious endorsement to multilateral efforts to control the illegal drug trade.

China's State Councilor Luo Gan, for example, called for cooperation on the basis of "shared responsibility" and cautioned against international efforts to control narcotics that were politically motivated and interfered in the internal affairs of another country.

According to the *Bangkok Post* (Sept. 4), the drug summit was rescued at the last minute by Chinese and Thai officials who drew up a "shaky but workable" package deal including plans for a summit. The four-nation ministerial meeting adopted a statement called the Beijing Declaration that sets out the agreed efforts for coordinating narcotics control on the basis of the region's existing mechanism. The Beijing Declaration also laid out in general terms a comprehensive approach involving cooperation in narcotics prevention, education, law enforcement, information sharing, addiction treatment, rehabilitation, chemical control, crop substitution, and personnel training.

Thai Prime Minister Visits China

In late August, coinciding with the ministerial meeting on drug control, Thai Prime Minister Thaksin made his first official visit to China at the invitation of Premier Zhu Rongji. He was accompanied by a large delegation from the private sector.

Thaksin called for the development of a "strategic partnership, not only politically but also economically" between Thailand and China. He pressed Zhu for a commitment to purchase Thai agricultural products and to consider increasing the currency swap credit line from \$2 billion to \$3 billion. Premier Zhu advocated pushing forward all the cooperative projects listed in their 1999 Joint Statement on Cooperation in the 21st Century. Among the projects was a controversial eucalyptus pulp and paper joint venture that had been stalled due to Thai environmental concerns. Zhu indicated he would give consideration to raising the credit line but on the principle that the conditions should be the same for all ASEAN countries. He also gave assurances that China would continue to purchase Thai rice and rubber. After their discussions both leaders witnessed the signing of three agreements: cultural cooperation, the establishment of a bilateral commercial council for the promotion of international trade, and investment.

Thaksin also met with President Jiang Zemin and Li Peng, chairman of the Standing Committee of the National People's Congress. In his discussions with Jiang, Thaksin lobbied for special tax privileges for agricultural products, greater cooperation under the ASEAN framework, support for the establishment of a Chinese language school in Thailand, and China's hosting of a drug summit. Jiang agreed to consider these proposals but indicated his reluctance to host a drug control summit. Jiang agreed to continue assistance to the Thai armed forces in maintaining weapons it had bought previously. He promised to send a team to Thailand in October to assess repairs and upgrading.

The final joint communiqué noted, "the two sides wished to continue pushing the (anti-narcotics cooperation) process forward. The Thai side voiced its desire to host a conference of a higher level at the appropriate time." The discussions between Thaksin and Li Peng focused on how to develop "strategic cooperation" through exchanges between their respective national legislatures.

Li Peng Visits Vietnam

Li Peng paid an official friendship visit to Vietnam in September at the invitation of the Central Committee of the Vietnam Communist Party and Standing Committee of the National Assembly. Li's visit followed that of the deputy chairman of Vietnam's National Assembly, who had visited China to study the lessons of the Three Gorges Project. Li met with his counterpart, Nguyen Van An, and was received by Vietnam's top leadership. He also met with the two former party secretaries general. Li's visit was later described as a "strategic diplomatic action" by the official Chinese media.

Li was the highest level Chinese visitor to Vietnam after its Ninth National Party Congress held in April. Li came to assess future policy directions and to develop personal ties with Vietnam's new collective leadership. Although the tone of official reporting was upbeat, Hanoi-based diplomats and other observers noted that a number of potentially contentious issues were open for discussion, such as rampant smuggling across the border, low rates of Chinese investment in Vietnam, and Chinese assistance to four major projects (hydropower, iron and steel, nitrogenous fertilizer, and bauxite plants).

According to the public record, the discussions between Li and An focused on in-depth cooperation by their respective legislative specialists and committees, and coordination in international and regional parliamentary organizations. One issue of mutual interest was the recent proposal by General Secretary Jiang Zemin to admit private entrepreneurs into the Chinese Communist Party. Earlier, the Ninth VCP National Congress rejected a proposal to permit party members to engage in private enterprise. Nevertheless, Vietnam's National Assembly is currently considering amendments to the 1992 state constitution to provide more legal protection to the private sector. Vietnam was also keen to learn about China's experience in the Three Gorges Project in light of its decision to proceed with the construction of a major hydroelectric power project at Son La. An was particularly interested in the ideological implications of Jiang's July 1 speech, which introduced the concept of the "Three Represents" (the party represents the advanced production forces, advanced Chinese culture, and the basic interests of the people in modernizing the nation). Li and An also discussed practical steps to be taken to implement the historic agreements on borders and maritime boundaries and fishery cooperation.

After discussions with party Secretary General Nong Duc Manh, Li declared, "The political foundations of Sino-Vietnamese relations have been more sound and solid than ever, and mutual trust and cooperation for development have been the common aspiration of both countries." As evidence, it was announced that later in the year the two party secretaries general would pay reciprocal visits.

South China Sea Code of Conduct

Differences within ASEAN and between ASEAN and China continued to delay progress in reaching a South China Sea Code of Conduct. Vietnam insists that the Paracel Islands be included in the code's geographic scope. China rejects this. On July 20, the Philippines in a bid to break the impasse circulated a new draft Code of Conduct to the ASEAN Senior Officials Meeting (SOM). The new draft dropped reference to geographic boundaries. According to one anonymous official, "Boundaries are irrelevant because the code is not meant to settle disputes. The code is a confidence building measure."

The new draft states the parties "undertake to exercise self-restraint in the conduct of activities that would complicate or escalate disputes and affect peace and stability, including among others, refraining from action of inhabiting the presently uninhabited islands, shoals, cays, and other features and to handle their differences in a constructive manner." The draft continues "Pending the peaceful settlement, territorial and jurisdictional disputes, the parties concerned undertake to intensify efforts to seek ways, in the spirit of cooperation and understanding, to build trust and confidence between and among them." Despite the urging of their foreign ministers (July 23) "to expedite the completion of the drafting of the code of conduct" ASEAN senior officials could not reach consensus in time for the eighth ARF meeting. ASEAN Secretary General Rodolfo Severino called the new draft a "compromise formulation" that would hopefully elicit agreement. The Philippine draft will now be considered by senior officials in November when they are scheduled to meet in Brunei.

After the eighth ARF, Severino journeyed to Beijing. After meeting with Chinese officials he announced they "assured me that they have been exercising self-restraint and that they have taken no action in the South China Sea since discussions on the Code of Conduct started ... There are now new formulations ASEAN is working out with cooperation of China and China gave its assurance it will be open-minded with regards to these formulations (on a Code of Conduct)."

U.S. Secretary of State Colin Powell's attendance at and participation in the ASEAN Post-Ministerial Conference and the eighth ASEAN Regional Forum meeting in Hanoi in July were welcomed in the region as a sign of renewed attention by Washington. ASEAN foreign ministers expressed their judgment that the management of China-U.S. relations was the key to maintaining regional stability. Foreign Minister Tang spoke of an improvement in relations with the United States. As the third quarter was about to end on an optimistic note, all eyes turned to the APEC summit to be held in Shanghai in October. The tragic terrorist events of Sept. 11 have completely changed the regional security framework. How the U.S. responds to the threat of international terrorism will largely determine whether regional security issues can be addressed cooperatively on a multilateral basis.

Chronology of China-Southeast Asia Relations July-September 2001

June 26-July 4, 2001: Phan Dien, member of the Vietnam Communist Party (VCP) Politburo, visits China.

July 6, 2001: Myanmar's minister of finance and revenue, U Khin Maung Thien, visits China.

July 9-12, 2001: Nguyen Phu Trong, secretary of the Hanoi VCP Committee and member of the VCP Politburo, visits China and meets with Vice President Hu Jintao.

July 11-14, 2001: Taiwan's minister of economics, Lin Hsin-yi, leads a 46-member delegation to Manila to attend the ninth ROC-Philippine Economic and Trade Conference.

July 13-August 6, 2001: Mai Thuc Lan, vice chairman of Vietnam's National Assembly, visits China.

July 16, 2001: Philippine President Macapagal-Arroyo reaffirms that the Philippine government's policy is to settle its maritime territorial disputes in the South China Sea with China through bilateral and multilateral diplomatic approach including confidence building measures.

July 18, 2001: In response to Taiwan Premier Chang Chun-hsiung's call for "peaceful settlement, joint exploration and sharing of resources" in the South China Sea, a Chinese Foreign Ministry spokesperson announced that Taiwan will not be allowed to join a South China Sea Code of Conduct.

July 19-21, 2001: Wu Wen-ya, director general of Taiwan's Ministry of Economic Affairs' Board of Trade, visits Indonesia after stopping in the Philippines, Thailand, and Malaysia.

July 19-25, 2001: Jia Chunwang, China's minister of public security, visits Thailand for discussions on drug control efforts. Jia also meets separately with Prime Minister Thaksin.

July 20, 2000: ASEAN Senior Officials Meeting, Hanoi.

July 23, 2001: ASEAN Ministerial Meeting, Hanoi.

July 23, 2001: Chinese Foreign Minister Tang Jiaxuan visits Hanoi to attend ASEAN-related meetings. He meets with party Secretary General Nong Duc Manh, Premier Phan Van Khai, and Foreign Minister Nguyen Dy Nien.

July 24, 2001: ASEAN Plus Three meeting, Hanoi.

July 25, 2001: President Jiang Zemin sends a congratulatory message to Megawati Sukarnoputri on her election as president of Indonesia.

July 25, 2001: ASEAN Regional Forum meeting, Hanoi.

July 25-30, 2001: Jia Chunwang visits Vietnam at the invitation of his counterpart, Police Minister Le Minh Huong.

July 26, 2001: ASEAN Post-Ministerial Conference with 10 dialogue partners, followed by ASEAN-China dialogue meeting, Hanoi.

July 27, 2001: Deputy FM Wang Yi states that China backs ASEAN's efforts to establish a Southeast Asia Nuclear Weapon Free Zone.

July 28, 2001: The second Ministerial Meeting on Mekong-Ganga Cooperation is held in Hanoi. The issue of Chinese membership was reportedly raised.

July 31-Aug. 1, 2001: ASEAN Secretary General Rodolfo Severino holds talks in Beijing.

July 31-Aug. 6, 2001: Mai Thuc Lan, vice chairman of Vietnam's National Assembly, visits China.

Aug. 5-7, 2001: Taipei City Mayor Ma Ying-jeo visits Kuala Lumpur.

Aug. 7-10, 2001: Khachatphai Burutphat, secretary general of Thailand's National Security Council, visits China.

Aug. 10, 2001: Four-nation (Myanmar, China, Laos, and Thailand) Senior Officials Meeting on drugs held in Rangoon.

Aug. 16, 2001: Third Senior Officials Meeting of the 13th APEC Ministerial Conference meets in Dalian, China.

Aug. 17, 2001: Siho Bannavong, president of the Lao Committee for Peace and Solidarity, visits China.

Aug. 21, 2001: Harry Angping, chairman of the Committee for Trade and Industry, Philippine House of Representatives, visits Beijing.

Aug. 23, 2001: Deputy FM Wang Yi visits Myanmar and signs an agreement on economic and technical cooperation with the deputy minister for Rail Transport.

Aug. 23, 2001: APEC Finance Ministers' Meeting is held in Dalian, China.

Aug. 27, 2001: Vu Dinh Cu, vice chairman of Vietnam's National Assembly, visits China and is received by Li Peng, chairman of the Standing Committee of the National People's Congress.

Aug. 27-29, 2001: Thai PM Thaksin visits President Jiang, Premier Zhu, and other high-ranking officials in Beijing.

Aug. 28, 2001: Four-nation ministerial meeting on drugs held in Beijing.

Aug. 29, 2001: Phung Khac Dang, deputy director of the Vietnam People's Army's General Political Department, visits China.

Aug. 29-30, 2001: Eighth APEC Small and Medium Enterprises Ministerial Meeting is held in Shanghai.

Aug. 31, 2001: Wang Zaixi, deputy director of the China State Council Taiwan Affairs Office, visits Indonesia. Wang previously visited Thailand, Malaysia, and Singapore.

Sept. 6, 2001: A CCP delegation makes a goodwill visit to Laos and Vietnam.

Sept. 7, 2001: Le Hai Anh, deputy chief of staff of the Vietnam People's Army, visits Beijing and holds discussions with Fu Quanyou, chief of the PLA General Staff.

Sept. 7, 2001: A seven-member political work delegation from the General Political Department of the Lao People's Army visits China.

Sept. 7-10, 2001: Li Peng visits Vietnam.

Sept. 10-11, 2001: Third Asia-Europe Economic Senior Officials and Economic Ministers' Meetings are held in Hanoi.

Sept. 12-16, 2001: ASEAN Finance Ministers' Meeting is held in Hanoi followed by consultative meeting with dialogue partners, including China.

Sept. 12-22, 2001: Singapore President S. R. Nathan visits China and is received by President Jiang.

Sept. 18, 2001: Myint Swe, commander-in-chief of the Burmese Air Force, visits Beijing for discussions with Fu Quanyou.

Sept. 19-21, 2001: Thai Deputy PM Chawalit attends the second Sino-Thailand seminar on trade in agricultural products in Kunming, China.

Sept. 23, 2001: Lt. Gen. Su Shuyan, deputy director of the PLA's General Logistics Department, pays a working visit to Vietnam. He is received by Defense Minister Senior Lt. Gen. Pham Van Tra.

Sept. 26, 2001: The Philippine Navy reports that one of its boats fired at a Chinese fishing vessel after an attempted ramming incident near Palawan.

Sept. 26, 2001: A spokesperson for the Chinese Embassy in Manila demands the release of the 48 detained Chinese fishermen and a "specific explanation to their being arrested by Philippine authorities."

