

China's Policy toward Southeast Asia in the Era of Globalization

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Globalization is an irreversible process. Each country has its own attitude toward it. Some countries wait and see; some participate in it actively; some are involved reluctantly; some even are marginalized in the process. From passive involvement in the beginning to active participation in the late, developing China goes through a bending way. In the process, China paid price but also benefited a lot from it. China takes the opinion that globalization is an international trend, and China should acclimatize herself and participate in it. Keeping out of globalization, China may be abandoned and marginalized, or, even be kicked out of international society. The year of 1978 witnesses that China begins its reform and opening up to the outside world. Since then, China not only starts up its modernization course, but also actively participates in globalization and proves itself to be a good student in the University of learning globalization. In the process, China readjusts its policy toward Southeast Asian countries and actively develops the cooperation with them in various fields. Specifically speaking, in the process of globalization and regionalization, China's policy toward Southeast Asia countries takes the following new aspects: multilateralism, active participation in the Southeast Asian integration, and promoting the cooperation in the field of non-traditional security issues with Southeast Asian countries.

I . From bilateralism to multilateralism

Facing the globalizing world, China makes its correct choice to carry out and promote multilateralism. In recent years, multilateralism plays an ever more important role in China's foreign policy, becoming a new platform in China's diplomacy. China is learning to use multilateralism as a tool to safeguard and realize its own national interests, to promote the establishment of new international political and economic orders, and to facilitate

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regional and global peace, stability and prosperity. Actually, it takes some times for China to understand multilateralism. In the early stage of reform and opening up to the outside world, China takes a negative attitude toward international mechanisms and regards these mechanisms as Western Power's tools to manipulate weak countries and to pursue hegemony. However, with deeper participating in regional and international affairs, China changes its attitudes. China begins to integrate into international mechanism on its own initiative and carries out multilateral diplomatic activities. Multilateral diplomacy is now an important tool for China to achieve its foreign policy. It complements and reinforces bilateral diplomacy with each other. China's multilateralism can be divided into two aspects: global level and regional level. This paper is mainly to analyze China's bilateral and multilateral diplomatic activities in Southeast Asia from regional level, including the analysis on how the two diplomatic tools complement each other to serve China's foreign policy.

What is multilateralism? John Ruggie defines it as: "multilateralism is an institutional form that coordinates relations among three or more states on the basis of generalized principles of conduct: that is, principles which specify appropriate conduct for a class of actions, without regard to the particularistic interests of the parties or the strategic exigencies that may exist in any specific occurrence"¹⁾ In a rather long period, China kept a critical attitude to existing multilateral system and chose not to participate. Later, China learnt from the reality that it is not fit to take a simple "rebellious" attitude toward the existing unreasonable multilateral system. China should "*participate before reconstruct.*" China should stand with developing countries to change the existing multilateral system into a more reasonable, fair and just system.

Since reform and opening up to the outside world, China accepts multilateralism and practices it in handling international affairs at global level. China joined many multilateral economic organizations such as World Bank, International Monetary Fund, and World Trade Organization. Taking multilateralism and acting in accordance with its rules, China integrates into the world economy system quickly, which speeds up China's pace of reform, opening up and modernization cause. Meanwhile, China accepted multilateralism and performed in global security affairs since 1980s, for example, China participated in the United Nations Conference on Disarmament and signed of *Biological and Chemical Weapons Conventions, Non-Proliferation Treaty, and Comprehensive Nuclear Test Ban Treaty* and so on.

However, it took some time for China to accept multilateralism at regional level to

1) Su changhe (2003) *Multilateralism*, Zhejiang People's Publisher, p.12. The translated Chinese version of *Multilateralism: The Anatomy of an Institution*, John Gerard Ruggie.

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participate in regional cooperation mechanisms and to develop multilateral diplomatic activities. For a long time, China took bilateralism as the guidelines to develop its relations with Southeast Asian countries. For example, in handling dispute on Nansha Islands Sovereignty, China insisted on negotiating with the involved countries one by one, instead of holding multilateral talks; besides, in developing economic and trade relations with neighboring countries, China also took great interest in bilateral cooperation instead of multilateral cooperation. There may be three reasons: Firstly, before reform and opening up to outside world, China isolates itself from the world for a long time and lacks the experiences to develop relations with many countries at the same time. Secondly, as a weak country, China always feels itself inadequate to contacts with many countries, and it may be easier to contact with individual country; Thirdly, for a long time China takes the opinion that the existing multilateral system and international rules are established by Western developed countries and unreasonable, which are nothing but the tools for Western developed countries to promote their hegemony.

Since early 1990s, China gradually changed its guidelines from bilateralism to multilateralism in dealing with regional affairs in Southeast Asia, which means China took a fundamental change on China's policy toward Southeast Asia and takes regional cooperation and integration as its main policy target in this region. It is also a sign that China's diplomacy steps into maturity. In my opinion, the main character of China's policy on Southeast Asia before 1990s is bilateralism, that is, to develop good bilateral relations and friendly bilateral exchanges with Southeast Asian countries. In 1990s, China has gained lots of experience in international multilateral cooperation and becomes more confident than before. Before 1990s China's target in Southeast Asia is to create a favorable environment to promote China's modernization drive. In order to achieve this aim, China develops bilateral good-neighborly relationship with neighboring countries. After 1990s, China changes its policy toward Southeast Asia and begins to take regional cooperation and regional integration as the main policy target. Obviously, the past policy of bilateral relations is not enough to achieve this goal. China's policy toward Southeast Asia shifts to multilateral relations.

During the period of 19th-20th July, 1991, China's State Councilor and Foreign Minister Qian Qichen attended the opening ceremony of Foreign Ministers Conference of ASEAN Countries in Kuala Lumpur and exchanged opinions about common issues with these ministers. This is the first formal contact between China and ASEAN. Five years later, China, Russia and India become the official conversational partners of ASEAN. Therefore we can regard the ASEAN-China dialogue in 1991 as a turning point of China's policy toward Southeast Asia — from bilateralism to multilateralism. In the eyes of Western scholars, China still kept a bilateral position and principle on Southeast Asia regional

affairs before 1995. “Officials and the academics openly express their concerns that the region has not ready for the multilateral process. They present many kinds of worries privately: these forums will be led by large powers. Small countries will use them to lead collective actions against China. These forums will be used to internationalize the questions such as cross-strait relations and the South China Sea issue. Facing these questions, China tends to resolve them in a bilateral way..... Though China does not think them will bring any benefits, it do not want to be excluded from the regional discussions. So China mainly uses those discussions in defense and just reiterates the existent official position, which includes the good intentions and five basic principles of peaceful coexistence. ” Since the year of 1996, China’s attitudes toward regional affairs becomes more positive. And China actively participates in process of multilateralism. “China’s attitude has become calmer and more confident.”²⁾ China accepts the multilateral security dialogue institutions—ASEAN Regional Forum and plays an important role in there. At that time, Mr. Chen Jian, China’s Assistant Minister for Foreign Affairs commended this organization: “this is the first collective result of the first implementation of region multilateral security dialogue mechanism. It embodies the efforts to build a new security order in this region. Its progress and success have been remarkable.” Besides, “Multilateral framework seems to be today’s order whether in the economic field or in the security area”³⁾ When explaining China’s government basic position about security cooperation, *Paper on China’s Position on New Security Concept* brings forward that multilateral cooperation and bilateral cooperation are indispensable. “New model of security cooperation should be flexible and diverse; which includes multilateral security mechanisms with strong binding, multilateral security dialogue with a forum nature, bilateral security consultations which aims at promoting confidence, as well as unofficial security dialogue with academic nature and so on. Promoting the integration of economic interests is also an effective means to protect the safety.”⁴⁾

The reasons why Multilateralism plays a more and more important role in China’s policy toward Southeast Asia are as follows:

1. China gradually develops its skills in multilateral diplomacy. Thanks to the ever increasing exchanges with the outside world, China’s leaders and diplomatic staffs can not only cope with multilateral diplomatic activities skillfully, but also make full use of the tool of multilateral diplomacy to publicize and demonstrate China, to achieve China’s political

2) Li Xiaolei (2001) *Contact with China - to Response A Great Developing Country*. XinHua Publisher, p.332. The translated Chinese Version of *Contact with China—to Response A Great Developing Country*, Alastair Iain Johnson, Robert Ross ed.

3) Ibid

4) Xinhua Net August 6th, 2002.

goals.

2. China's leaders' gradually changed their understandings on existing international mechanisms. They recognize that in the current international system, China can use various international organizations to achieve its own national interests. China should cooperate with them to establish a new international political and economic order.

3. Globalization and regionalization make China involved in various global and regional organizations. These organizations include APEC, Shanghai Cooperation Organization, and China — ASEAN Free Trade Area and so on. Therefore, China's leaders should comply with this change to make multilateralism as the tool and platform to achieve China's foreign policy objectives.

4. As a rising power under existing international mechanism, China should not only communicate with different countries, but also deal with regional and international organizations. Therefore, if China still takes bilateralism as the main form in diplomacy, it is impossible to adapt the current international environment. Bilateral diplomacy has its inherent limitations. If China keeps taking bilateralism as the only form in diplomacy, it will be impossible to achieve its national interests. China must use both bilateral and multilateral diplomatic tools to achieve its foreign policy goals.

When talking about the importance of multilateralism in China's policy toward Southeast Asia, we can not exclude bilateralism. Both bilateralism and multilateralism are indispensable in the development of China-ASEAN relations. Both of them are important tools in achieving China's foreign policy targets and take the same position in China's policy toward Southeast Asia. In practice of multilateralism in the world, China may encounter obstacles from Western countries. Thus, China may change its practice to regional level, in particular, to the two regional organizations of ASEAN and the Shanghai Cooperation Organization. Since China is still a regional power, its influence on global affairs is limited. Therefore, China will focus more attention on neighboring and regional affairs to play a more important role in it, and to make more contributions to establish a new regional order. In such circumstances, multilateralism will become more and more important in China's foreign policy and regional policy.

II. Actively joining the regional economic integration in Southeast Asia

In early 21st century, China's policy toward Southeast Asia is to actively carry out regional economic cooperation to participate in the process of regional economic integration. It is different from the past policy which pays attention to good-neighborly relations. In the report of 16th National Congress of the Chinese Communist Party (CPC) in 2002, it reads "A new world war is unlikely in the foreseeable future. It is realistic to

bring about a fairly long period of peace in the world and a favorable climate in areas around China.” “We will continue to cement our friendly ties with our neighbors and persist in building a good-neighborly relationship and partnership with them. We will step up regional cooperation and bring our exchanges and cooperation with our surrounding countries to a new height.”⁵⁾

In previous political reports of CPC National Congress, the description on China’s good-neighborly foreign policy in post-Cold War period is just the continuation of the good-neighborly foreign policy established in 1949 when the P. R. China was founded. These reports generally stress to establish good political relations with neighboring countries, to avoid any kinds of wars and to postpone the outbreak of the world war as much as possible. Different from the former Congresses, the 16th CPC National Congress on China’s good-neighborly foreign policy has two important innovations: firstly, the political report does not put forward Non-Aligned at all; secondly, it proposes to “We will step up regional cooperation and bring our exchanges and cooperation with our surrounding countries to a new height.” China’s good-neighborly foreign policy has evolved from the original friendly ties with neighbors to a high level of regional cooperation to promote regional development and prosperity. In the past China focuses on peaceful coexistence with its neighbors, and now China promote the relations to a new stage of regional cooperation and regional economic integration.

In last year’s political report of 17th CPC Congress, the description on China’s foreign policy has a major change. It takes the opinion that a multipolar world is irreversible, and economic globalization develops to a deeper stage; besides, scientific and technological revolution speed up, and global and regional cooperation is forging ahead with closer interdependence with each other. In the report, the basic descriptions of foreign policy are almost the same with the report of 16th CPC Congress. “For our neighboring countries, we will continue to follow the foreign policy of friendship and partnership, strengthen good-neighborly relations and practical cooperation with them, and energetically engage in regional cooperation in order to jointly create a peaceful, stable regional environment featuring equality, mutual trust and win-win cooperation.”⁶⁾

The process of economic integration in Southeast Asia began in early 1990s when the Cold War ended. By ten years’ hard work, in 2002 ASEAN formally announced the completion of the ASEAN Free Trade Area. Later, ASEAN proposes to build the ASEAN Economic Community, Security Community and Socio-Cultural Community in 15 years. At beginning, China does not show much enthusiasm in joining regional economic

5) The database of People’s Net: ‘Data of Previous CPC Congress’

6) Ibid.

cooperation and it mainly concerns its internal affairs and modernization construction. However, with the quick development of globalization and regionalization, China begins to realize that if she does not take the initiative to participate in globalization, she may be marginalized. Moreover, China needs to cooperate with its neighbors to share the achievements of economic development with them, which termed by China's leaders as "Good neighbors, peaceful neighbors and rich neighbors."

The process of China's participation in the Southeast Asia regional economic integration can divide into the following three stages:

The first stage is the initial stage (1990-2000), in which bilateral trades rapidly grow up and trade interdependence quickly upgraded.

As early as in the mid-1970s of 20th century, China normalized relations with most Southeast Asian countries, especially with ASEAN countries. In this period, the establishment and development of bilateral relations are on the basis of bilateral political and strategic needs. At that time, China and ASEAN countries are facing the common threat — the Soviet Union's expansion in Southeast Asia and Vietnamese regional hegemony. However, after the Cold War, the old political basis between Southeast Asian countries and China does not exist. So it needs a new foundation for China-Southeast Asia to develop their relationship in new historical period, that is, the economic and trade cooperation. Just as the author has mentioned in his works *Regional Cooperation in Southeast Asian*: "The relation between ASEAN and China during 1990s is a new relation featuring practice and economy. In this new relation, politics gives its priority to economy. The differences between social ideology and political system are put aside. The two sides are making efforts to seek common ground while avoid differences. The superior "common" is to strengthen the economic cooperation between them, to enhance the level of economic cooperation, in order to speed up each country's industrialization and modernization." 7)

Thailand scholar Mr. John Tira Yat also thinks that China is an economic partner in Southeast Asia and will be widely welcomed in the 1990s. "In the past half century, China has never been as popular as in this period. The development of trade between Southeast Asian countries and China has expanded both markets. In Southeast Asian business world, there are certainly some enterprises fearing that China's cheap goods will get their markets. But the majority modern entrepreneurs would carry free competition rather than exclusive from opponents. A similar situation exists in the investment field. Some people worry about that China's advantages in attracting investors will draw away funds. But

7) Cao Yunhua (1995) *Regional Cooperation of Southeast Asia*, South China Polytechnic University publisher, p.279.

facing today's world integration, most entrepreneurs have not persevered in so complacent and rigid concept. On the contrary, many countries encourage their entrepreneurs to invest abroad instead of limiting the investment and employment opportunities in their territory.”⁸⁾ In the ten years from 1991 to 2001, the trade volume between ASEAN and China grew by the average annual rate of 20.4%. The trade quantum has increased from 7.9 billion US dollars in 1991 to 41.6 billion US dollars in 2001. The tremendous progress of China-ASEAN economic and trade cooperation has benefited from pursuing a wise policy for both sides. Facing the regional economic integration and globalization wave, the leaders of China and ASEAN countries have made a wise choice, which is to strengthen cooperation and promote mutual prosperity. ASEAN Secretary-General's Special Assistant Tak-Shaq calls such policy as “common integration policy”. “The established relation between ASEAN and China in 1991 is developing rapidly, and it gets an outstanding achievement which both ASEAN and China can not expect in ten years. The success benefits from mutual trust and constructive policy of integrated cooperation. As the interests of China and ASEAN are centralized, they have been in the implementation of common integration policy. This policy creates a win-win situation and outcome for ASEAN and China.”⁹⁾

The second stage is the intermediate phase (2001-2005), which is marked by China-ASEAN Free Trade Area.

The proposition of China-ASEAN Free Trade Area in 2001 was a new beginning point in China and ASEAN multilateral regional economic cooperation. After this concept having been put forward, China fervidly participates in the ASEAN regional economic integration. China became the most enthusiastic promoters and most important driving force in regional economic integration. In November 2002, China and ASEAN signed *The Framework Agreement on Comprehensive Economic Cooperation between China and ASEAN*. In January 2004, as part of the afore-mentioned agreement, the *Early Harvest Program* (EHP) is carried out. In November 2004, the two sides signed the *Trade in Goods Agreement under The Framework Agreement on Comprehensive Economic Cooperation between China and ASEAN* and it begins to be carried out on July 20, 2005. Thanks to China and the ASEAN countries' unremitting efforts, China-ASEAN Free Trade Area is advancing smoothly. In recent years, China-ASEAN trade grows by leaps and bounds. In 2004, bilateral trade volume reached 105.9 billion US dollars, which is one year ahead of schedule of achieving a breakthrough in bilateral trade volume of 100 billion US dollars. In

8) Liu Yuanhong, *China's Foreign Policy*, The translated Chinese version of *China's Foreign Policy*, John Tira Yat, Chinese Research Center of Asian Institute of Thailand's Chulalongkong University. p.109.

9) Tak-Shaq: (2003) 'ASEAN and China in 21st Century: good-neighborly partnership of mutual trust'. Published by Around Southeast Asia, 1st Phrase, p.1.

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2005 it reaches 130.3 billion US dollars which is an increase of 23% for last year. In 2006 it reaches 160.9 billion US dollars. The growth rate is 23%. According to the growth rate of the past two years, it estimates that the target of bilateral trade exceeded 20 billion dollars in 2010 which is enacted by the leaders of two sides can be completed ahead of schedule. By the year of 2005, ASEAN has become China's fourth largest trade partner and ranks fifth in China's major foreign trade partners. From the viewpoint of different country, China is Vietnam's largest trading partner, Myanmar's second largest trading partner, the third largest trading partner in Singapore, Thailand, and Philippines, the fourth largest trading partner in Malaysia, Indonesia, Cambodia, and the fifth largest trading partner in Laos. In the top 10 China's foreign trading partners, Singapore and Malaysia ranks seventh and eighth.

During this period, the quick development of bilateral trade has two main reasons: first, China-ASEAN Free Trade Zone effectively promotes the development of bilateral trade. Following the early implementation of harvest scheme, trade in goods agreements, and the tariff reduction scheme, the tariff of 7,445 kinds of goods has been reduced to around 20%. Among them, the average tariff rate of China to ASEAN member countries (six member states) has been reduced to 8.1 percent which is lower than the average rate of 9.9% MFN level. Second, due to China's rapid development in recent years, China's demand for resources is ever increasing in large scale. ASEAN countries, which are rich in resources, meet China's demands. China's imports from ASEAN grow for several consecutive years. Since the year of 1998, China has been in deficit for ASEAN trade continuously for eight years. The deficit quantum increased from 7.6 billion dollars in 2002 to 18.2 billion US dollars in 2006.

The third stage is the advanced stage (2010 —). It will be a few years later for this stage to be really started when the China-ASEAN Free Trade Area is finally completed. The main signs of this stage are mutual rapid growth in investment and the cooperation in the various fields of industries for both sides. On 14th January, 2007, the 10th meeting of China--ASEAN (10 +1) leaders was held in Cebu, Philippines. At the meeting Chinese Premier Wen Jiabao addressed a speech entitled "Jointly Compose a New Chapter of China-ASEAN Relations". The two sides signed the *China--ASEAN Free Trade Area Agreement on Trade in Services*. The speech and the agreement show that the economic cooperation between China and ASEAN is beyond the scope of trade in goods. ASEAN and China are seeking broader areas of cooperation. The regional economic integration of China and Southeast Asia has entered a new stage. Trade liberalization and rapid growth of bilateral trade are the primary stage of regional economic integration. The mature regional economic integration should help members to strengthen their cooperation in industry, to create interdependence and mutual benefit between them. At present, though

China-ASEAN cooperation has just started, the trend is very good. The development of cooperation in industry of both sides will accelerate the process of China-ASEAN regional economic integration. The Fourth China-ASEAN Trade Fair (Date October 27-31, 2007, held in Nanning, China) showed a new characteristic — it is not only the display of goods, but also the cooperation in industry. The theme of this fair is how to cooperate between ports and transportation.

In the following, the paper takes the cooperation in energy, culture and education as examples to analyze China-ASEAN cooperation in industry.

Energy Cooperation

China's investment in Indonesia grows rapidly in recent years. The investment is mainly in energy, a reflection of China's thirsty demands for energy in its rapid economic development. Recently, China and Indonesia have signed a series of agreements in energy field. It is reported that after more than two years negotiations which began in 2004, China National Offshore Oil Corporation (China National Offshore Oil Corp., Acronym: CNOOC) signed an agreement with Indonesia in late September 2006. The agreement stipulates that China can buy liquefied natural gas from Indonesia (the East-natural gas project in Papua province, the project is operated by British Petroleum (BP PLC) and will be put into operation in 2008.). This liquefied natural gas from Indonesia will be delivered to China's southeastern Fujian CNOOC station. In the following 25 years from 2009, Indonesia will annually supply 2.6 million tons of LNG, which is about 3.6 billion cubic meters. Then on October, Indonesia-China Energy Forum was held in Shanghai. In the meeting, the two countries signed the power, mining, coal, as well as a total of six cooperation projects with a value of about 40 billion dollars. One of the largest energy cooperation projects is the cooperation agreement signed by China Huadian Group Corporation (China Huadian Corp.) with the Indonesian state-owned power enterprises (Perusahaan Listrik Negara). The two sides will set up a joint venture and a construction of a power plant in South Sumatra province. This project will cost 2.1 billion US dollars and China Huadian attempts to hold 51% shares of this joint venture. (Detailed in the table below)

China also has energy cooperation projects with other Southeast Asian countries. In 2004, China signed two projects with Myanmar on the joint exploration and exploitation of oil and gas from land and offshore. In the first project, some Chinese companies, headed by CNOOC, signed contract with Myanmar Oil and Natural Gas Corporation of prospecting and extracting oil and gas from land. The involved area is in Rakhine State Kyaukpyu, Myanmar. In another project, CNOOC Group, China Globe Engineering Company and Singapore Golen Aaron Company signed two contracts with the state-

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The construct projects of China — Indonesia energy cooperation in 2006

Cooperation Projects	Cooperation Units	Contract Amount (US Dollars)
1. South Sulawesi province Banggebaloju coal power plants	Sumber Gas Skti Prima — Sichuan Chemical Engineering Group Co., Ltd. China	687 million
2. Sukabumi, West Java province Akbar Tandjung Mei Yin-ting Steel Quarry	PT Siracap Sumber Prima — Yunnan Geology and Mineral Resources Resources Ltd.	300 million
3. South Sulawesi Qini 2×100 MW Power Plant	PT Bosowa Energi — DaCheng Engineering Corporation China	unkonwn
4. Development of Indonesian energy, chemical and coal industries in Kunming	Antarniaga Nusantara Indonesia	0.3-1 billion
5. South Sumatra province Mualayinimu, Bongo county 4 ×600 MW thermal	PT Tanbang Batubara Bukit Asam, PT Indika Inti Energi — China Light and Power Company Limited	2.1 billion
6. Jointly Development of Sud Longalu	CNOOC Sec Ltd Kementrian ESDMRI Indonesian Ministry of Energy Mines	1.5 million

Source: Indonesian Ministry of Energy Mines, Beijing Lushun Wang translated from the *Indonesian media*, quoted from Hong Kong, *Indonesia focus* of December 2006.

owned Myanmar Oil and Natural Gas Corporation to explore offshore oil and gas from Myanmar. One of the two oil and gas fields is located in a coastal Rakhine State in Myanmar A-4 district; another is located in province Tenasserim Division Motama Bay Area offshore M-10.¹⁰⁾ By comparison, the time when China started its cooperation with Brunei in energy sector is much earlier. The two countries reached an agreement that

10) Myanmar has proven natural gas reserves of 2.46 trillion cubic meters and oil reserves of 3.2 billion barrels. Since the beginning of attracting foreign investment in 1989, the oil and natural gas has become the largest foreign investment field in Myanmar. To the first half of 2004 it is more than 2.5 billion US dollars, accounting for 35 per cent of the total foreign investment. Myanmar's production is of 9.7 billion cubic meters of natural gas in 2003, 7.2 million barrels of oil. Myanmar currently is unable to meet domestic demand for oil. It annually imported 2.7 million barrels of crude oil. But its natural gas can export. Its export volume in 2003 reached 6.4 billion cubic meters.

Students from ASEAN, Korea and Japan in 2004

<u>Country</u>	<u>long-termstudents</u>	<u>short-termstudents</u>	<u>Total</u>
Japan	10376	8683	19059
Korea	34624	8993	43617
Total ASEAN	11415	3725	15140
Brunei	2	4	6
Myanmar	379	18	397
Cambodia	163	17	180
Indonesia	2549	1201	3750
Laos	478	31	509
Malaysia	1056	185	1241
Philippines	530	845	1375
Singapore	563	366	929
Thailand	1580	791	2371
Vietnam	4115	267	4382

Source: Ministry of Foreign Affairs *China's diplomacy*, the 2005 version of documentation.

from 2000 China imports 20,000 barrels of oil from Brunei which accounts for 10% of Brunei oil export.

Cooperation in Culture and Education

China-ASEAN's cooperation in culture and education starts late, but it shows a growing trend. According to the statistics issued by Ministry of Foreign Affairs, students from ASEAN countries are 15,140 in 2004, a rather positive increase than previous years.

In recent years, Vietnam and Indonesia become the main source land of students studied in China. Behind Korea, Japan and the United States, they rank No. 4 and No. 5. According to the statistics from Ministry of Education, the year of 2006 witnesses some highest records since 1949 — the most overseas students from the most countries and regions attending the most schools. There is a total of 162,695 students from 184 countries and regions study in 519 colleges and universities and other teaching and research learning institutions, which are located in 31 provinces, autonomous regions and municipalities of China (excluding Taiwan Province and Hong Kong and Macao special administrative regions). The number increases by 21,608 which is 15.3% more than that in 2005. According to the statistics, in 2006 five countries rank high in sending students to China: Korea-57,504, Japan-18,363, the U.S.-11,784 from the United States, Vietnam-7,310, and Indonesia-5,652 from Indonesia.¹¹⁾

11) People's Net- People's Daily, May 29th, 2007.

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Driven by smooth development in political and economic relations, the cooperation between Vietnam and China in cultural, educational and other areas develop prosperously. "The communication between two peoples speeds up in a variety of fields, especially in the young generation of the two countries, which made a contribution to the mutual understanding and friendship between the two peoples."¹²⁾ In cultural and artistic fields, since the two sides signed agreements on cultural cooperation, Vietnam has sent hundreds of culture and arts delegations at all levels to China for visit, study, perform or display. In order to further strengthen cultural exchanges and cooperation between the two countries, China provided 150 million RMB to Vietnam in 2004 which granted for the building of Vietnam-China Cultural Palace. Bilateral cooperation in education is in full swing. Two countries signed an education exchanges and cooperation agreement to exchange students. In accordance with the agreement, Vietnam annually sends 130 students to learn in China while Chinese government provides scholarships for them, and Vietnam receives 15 Chinese students every year. The number of Vietnamese students studying in China at their own expense is also increasing. China provides these students all the supports and helps. At present, more than 30 Vietnamese universities and carry out academic exchange and cooperation with more than 40 Chinese colleges or universities.¹³⁾

The number of Singaporean students studying in China also grows rapidly from 328 in 2002 to 924 in 2004. In 2005, the number grows to about 1,500. In 2002, only two Singaporean students got Singaporean Government scholarship to study in China, while in 2007, the number increases to 15.

ASEAN countries also pay great attention to taking Chinese students in a rather early time, in which Singapore and Malaysia are the earliest two. Singapore begins to take Chinese students as early as in 1990s. According to the speech of Chen Xi, the Chairman of the Federation of Chinese students studying in Singapore, there are about 32,000 Chinese students studying in Singapore, including primary school student, secondary school student, undergraduate students, postgraduate students, technological private school students. Chinese students account for about 45% of the whole international students in Singapore. In National University of Singapore and Nanyang Technological University of Singapore, only the number of Master degree candidates and Ph.D. degree candidates from China is more than 3,000, which accounts for 10% of the total number of Chinese students studying in Singapore. A friend who once studied in Singapore told me

12) Chen Wenlu (2006) *Fifteen years' Development of Relationship and Cooperation between China and Vietnam*. China-ASEAN Expo, 8th Phrase, p.21.

13) Do Tien Sam (2006) 'Vietnam-China Relations:Present and Future', Ph.D.Do Tien Sam Editor: *China's Development and Prospect of ASEAN-China Relations*, Published Centre for ASEAN and China Studies, Vietnam, p.133.

that in recent years the number of Chinese students studying in Singapore is increasing at the speed of 1,500 every year. The reasons are as following: Singapore is a pluralistic society with Chinese as the main body; Singaporean Government provides large amount of scholarships to the student studying there; it is easier to find a job there after graduation.

Malaysia also does lots of work to attract Chinese students. Malaysia has many advantages: firstly, it adopts British-style education system and is renowned not only as the British education base in Asia but also the best British education place in Asia. Almost all the Malaysia's universities (colleges) are jointly operated with UK and Australia, or, with other Commonwealth countries.¹⁴⁾ To study in Malaysia may be the best alternative to accept British education without going to UK. Furthermore, it takes less time to issue visa there and is unnecessary to provide financial guarantee. Generally three months are enough to complete all the procedures. Secondly, it does not cost much to study in Malaysia. It costs about 30,000 to 50,000 *yuan* of RMB each year (including tuition, room and board) to study there for a bachelor's degree granted by privileged universities of the U.S., the U.K., Australia, New Zealand and other countries. However, if students pursuing similar courses in the U.S., the U.K., Australia, New Zealand and other countries, it will cost them about 70,000-150,000 *yuan* of RMB each year. Choosing to studying in Malaysia, students can save 50% to 70% cost. Thirdly, Malaysia is a multi-cultural country. In Malaysia the Chinese population accounts for about 30% of the whole Malaysian population. Chinese is widely used in Malaysia, so Chinese students can easily adapt to the country's cultural environment. At present, about 8,000 Chinese students study in Malaysia. Nadumushida Momohamode, Malaysian Minister for Higher Education, said that the global high education system plays an important role in building Malaysia into the center of excellent education. Malaysia intends to attract more international students to study in Malaysia from the present 50,000 to 100,000 by the year 2010. The number of Chinese students will grow faster in the next 2-3 years to two or three times higher than the present number.¹⁵⁾

All in all, the cooperation in industry between China and ASEAN are just got started. Large-scale cooperation may be achieved in a few years. Following the implementation of "going out" strategy which was put forward by Chinese government a few years ago, a large number of Chinese enterprises will go abroad to find investment and development

14) Double United Course: It refers to the programs co-opened by local colleges of Malaysia and foreign universities. Many Malaysian colleges co-open double courses and credit transferring system with many famous universities in U.S, Britain, Canada, Australia and New Zealand. It can make students get a foreign college diploma with lower paying. Otherwise, students can turn into the third country's university to go further study.

15) Beijing Entertainment Daily. November 21st, 2007.

opportunities. It is only at that time can China-ASEAN regional economic integration be really achieved. It can be proved from the trend of China's rapid increase on investment in ASEAN countries in recent years. In absolute amounts, China's investment in ASEAN countries is far less than developed countries such as Japan and the United States. However, the growth rate is surprising. Taking Thailand for an example, Prof. Chung Pxi, the director of China Studies Center in Thailand Chulalongkorn University, said that in 2006 China's investment in Thailand reached about 150 billion baht, which was eight times more than the number in previous year. China's investment in Indonesia and Vietnam also grow in a rather large scale.

III. New Cooperation Areas: Non-traditional Security

China and ASEAN started their cooperation in non-traditional security in 1990s. Since then the cooperation keeps being upgraded to an ever larger area. As for both China and ASEAN, non-traditional security cooperation is their positive response to globalization and regionalization, and is of great strategic significance for both of them. Analyzed in accordance with the level and area of the cooperation, the developmental of the non-traditional security cooperation between China and ASEAN can be staged into three periods.

The first period: from the end of Cold War to 1997 when financial crisis broke out in Southeast Asia. After the end of Cold War, China starts cooperation with ASEAN countries (In this paper, it includes some non-ASEAN Southeast Asian countries) in the field of non-traditional security issues. In the beginning, the cooperation is in narcotics control. In 1993, China, Laos, Myanmar, Thailand, Vietnam, Cambodia and the UN Drug Control Program (UNDCP) establish a cooperation mechanism of Narcotics Control *Memorandum of Understanding* (MOU). (Thailand is the only ASEAN member countries at that time) In 1995 the first conference at ministerial level of MOU signing member states in sub-regional East Asia was held in Beijing. Besides the cooperation in fighting against drug trafficking and drug-related crimes, China and ASEAN cooperate in performing "Substitution Crops for Anti-Drug Abuse" in the hope to solve the problem in the long run. In 1990s, the governments at all levels of Yunnan Province of China's help by various means the traditional poppy-growing areas in northern Myanmar and Laos to perform substitute plantation, and provide all kinds of favorable conditions in capital, technology, markets, and tariffs etc. In order to promote this cooperation, China provided some encouraging methods: Enterprises can enjoy the preferential policy of exemption of import duty and import tache value-added tax if their products are from substitute plantation in foreign countries and the products are in the list of buyback arrangements.

Since 1993, Laotian government performs the project of substituting poppy plantation with natural rubber plantation with the financial aid by UNDCP and China. In this stage, the cooperation between China and ASEAN in non-traditional security has following characteristics: bilateral cooperation is the main method; the cooperation is between China and some separate ASEAN countries at low level in some separate fields, for example, the narcotics control cooperation with Myanmar, Laos and Thailand.

The second stage: from 1997 to 2002 when China and ASEAN signed *Joint Statement on Cooperation in the Field of Non-Traditional Security Issues*. Southeast Asian financial crisis in 1997 dealt a heavy blow to the ASEAN countries' economy, and even caused political and social upheaval in some countries. It is a severe challenge not only to the ASEAN, but also to China and other East Asian countries. All the East Asian countries need to make joint efforts to face the increasingly prominent non-traditional security issues. The financial cooperation between China and ASEAN emerge as the times require, and the cooperation in other non-traditional fields also gradually takes on development. Thus, the Southeast Asian financial crisis symbolize that the cooperation between China and ASEAN in non-traditional security cooperation enter the second stage. In this stage, the cooperation between China and ASEAN in non-traditional security has following characteristics: multilateral cooperation becomes more and more important, and gradually rises to "10+1" and "10+3" multilateral levels. The cooperation gradually expands to financial security, anti-piracy, narcotics control, and other fields.

The third stage is from November 2002 when China and ASEAN signed *Joint Statement on Cooperation in the Field of Non-Traditional Security Issues* to the present. In 2001, at the eighth ASEAN Regional Forum (ARF) Foreign Ministers Conference, China put forward its proposal that it support the Forum to develop dialogue and cooperation in the field of non-traditional security issues. In May 2002, China submitted to the ARF Senior Officials' Conference *the Document Concerning China's Stand in Strengthening Cooperation in Non-Traditional Security Fields*. In November 2002, China and ASEAN signed *Joint Statement on Cooperation in the Field of Non-Traditional Security Issues*. In January 2004, China and ASEAN signed *MOU on China-ASEAN Cooperation in the Field of Non-Traditional Security Issues*. The deliver of *Joint Statement on Cooperation in the Field of Non-Traditional Security Issues* comprehensively started the cooperation between China and ASEAN in non-traditional security, symbolizing that the cooperation in non-traditional security enters a new stage. In this stage, the cooperation between China and ASEAN in non-traditional security has following characteristics: Both bilateral and multilateral cooperation are strengthened; the cooperation gradually develops in width and depth, especially into the state of mechanism and normalization.

The cooperation in non-traditional security is mainly performed in the following

seven aspects:

First, the financial security cooperation

In 1997 when financial crisis broke out in East Asia, China announced that RMB would not devalued, what's more, China provided Thailand with 10 billion-dollar loan. It was the first time that China provides such a large amount of loans to foreign country. At the request of the Government of Thailand, China appropriately increased the imports from Thailand. At the same time, China also provided a large amount of economic assistance to Indonesia.

In addition, the financial security cooperation in this region is gradually carried out. In November 1999, heads of ASEAN, China, Japan and Korea held an informal meeting in the Philippines. The joint statement issue from the meeting pointed out that it is impossible to create a common market and currency in East Asia. On May 2000 the 10, finance ministers of ASEAN countries, China, Japan and Korea held a conference in Chiang Mai, Thailand. In the meeting, ministers extensively exchanged their views on monetary and financial cooperation in East Asia and reached a consensus, upon which ministers signed *Chiang Mai Agreement*. The agreement aims to establish a greater Asian Reserve Fund in the future for the purpose of protecting member state's currencies from being attacked by international speculating capitals by mutual assistance. In the implementation, the original ASEAN Swap Agreement (ASA) has been developed, and Network of Bilateral Swap and Repurchase Agreements (BSA) was established. Since *Chiang Mai agreement* in 2000, China successively signed a series of bilateral currency swap agreement with Thailand, Japan and Korea in the framework of the agreement. On 9th October, 2002, China and Malaysia signed a bilateral currency swap agreement and created the *Asian Bond Fund* with Japan, Korea, Thailand and other countries in 2003. Monetary and financial cooperation in East Asia develops with a breakthrough.

Second, anti-piracy cooperation

Piracy has a long history and can be traced back to a long time ago. Southeast Asia, an area where there are so many straits and islands, is an idea place for pirates, especially the Straits of Malacca. As an important international and high-traffic waterway, Straits of Malacca provides a wealth of "prey" for piracy. At present, more than 30 per cent of the global trades pass through Straits of Malacca whose traffic volume increases from 44,000 vessels in 1999 to more than 62,600 vessels in 2005. Half of the world's tanker needs to pass this waterway.¹⁶⁾ China is one of the major users of the Strait of Malacca. Most of

16) *Minister of Public Security of Malaysia: Malacca Strait may under Terrorists' Attack*. Zaobao Paper, Singapore: <http://www.zaobao.com/special/us/pages7/attack070613.html>

China's trade with Europe, Africa and West Asia, Central Asia, South Asia, and other regions pass through this strait, and so do China's oil imports. Most of them mostly come by "the throat". Therefore, China inevitably becomes the major victim of piracy. It is imperative for China and ASEAN to cooperate in anti-piracy issues. Since 1999, China cooperates with the Philippines, Vietnam, Malaysia and China to strike piracy and successfully cracked many piracy cases, such as Mars piracy case, Aomite 2nd piracy case.

Third, narcotics control cooperation

In 2000, Chinese and Laotian governments reached an agreement that Chinese enterprises invest in Laos 1 million US dollars to establish rubber processing plants with the capacity of 12,000 tons of rubber in South Pylon of Laos. In October 2000, an International Congress "In Pursuit of a Drug-Free ASEAN 2015: Sharing the Vision, Leading the Change" was held in Bangkok. At the congress, participating states passed the *Bangkok Political Declaration*, China and ASEAN adopted a "Plan of Action", entitled "ASEAN and China Cooperative Operations in Response to Dangerous Drugs (ACCORD)" and decided to set up four working groups, namely, preventive education, demand reduction, law enforcement, alternative development. Since 2000, Chinese government has successively signed cooperation MOU on drug control with ASEAN countries like Thailand, Laos, Myanmar, Vietnam, Philippines and so on. Under the MOU mechanism, China holds meetings in central and border areas with Thailand, Lao, Myanmar and other countries every year. The Ministerial Congress of China, Laos, Myanmar and Thailand on cooperation in narcotics control was held in 2001 and issued *Beijing Declaration. Sub-regional Plan of Action* in 2005 and *2007 MOU Beijing Declaration* were passed by East Asia sub-regional anti-drug MOU mechanism of high-ranking officials. According to the data of satellite remote sensing test, a project established by China and Myanmar in northern Burma for the remote test of the illicit cultivation of poppy since 2006, poppy cultivation in this region has dropped significantly. China and ASEAN also strengthen anti-drug cooperation in staff training and other areas. On 24th February, 2006, the first anti-drug training class set by China for Myanmar officials was opened in Yunnan Public Security College.

Substitute plantation helps the farmers shake off the 100 years history of poppy cultivation, create a positive condition to eradicate drug from the source. In prohibiting poppy-planting, how to resolve the problem of people's living and economic development in opium-planting districts is of significant importance. It is the key to the problem whether drugs can be comprehensively eradicated and whether the achievement can be consolidated. Therefore, it must perform transformation from substitute plantation to substitution development. In the background of sustained growth of national economy

and sustainable development strategy, government make out suitable measure in accordance with the reality of rural areas to remove and prohibit the cultivation of illicit crops containing hallucinogen and psychotropic narcosis. That is substitution development.¹⁷⁾ China and ASEAN countries reached consensus on many large-scale cooperation projects, for example, on July 2005 China reached a drug substitution project agreement with Myanmar—planting sweet potato and cassava of 100 square kilometers in Kuogun Myanmar. In 2006 China provided 10,000 tons of rice to food shortage area in northern Myanmar. According to incomplete statistics, by the end of 2004, Chinese central and local governments and Chinese enterprises have invested more than 500 million RMB and completed substitute plantation of more than 400 square kilometers in northern Myanmar and northern Laos. The substitute plantation of rice, corn, buckwheat and other food crops cover an area of about 47.33 square kilometers; tropical fruits: 200 square kilometers; rubber: 76.67 square kilometers; sugarcane: 40 square kilometers; trees (teak, iron a shirt, walnut): 26.67 square kilometers; spice: 13.33 square kilometers; tea: 6.67 square kilometers. In addition, there are planted other crops like lemon, beans, sisal, konjac, citronella tea and coffee, etc.¹⁸⁾

Fourth, cooperation in combating transnational crime

On 10th January 2004 in Bangkok, China initiated the First ASEAN plus Three Ministerial Meeting on Transnational Crime (AMMTC+3) (the three countries are China, Japan and South Korea). The second meeting was held in Hanoi, Vietnam on November 30th, 2005. In the meetings ministers reached the consensus to strengthen the cooperation in combating transnational crime, especially the international terrorism. The year saw the Informal ASEAN Ministerial Meeting on Transnational Crime Plus China. China proposed to train 900 law enforcement officers for ASEAN countries in the coming five years.

Fifth, rural development and poverty-elimination cooperation

In November 2002 China and ASEAN signed the MOU on Agricultural Cooperation, confirming their cooperation in the next five years in human resources, agricultural

17) *From Substitute Crop Cultivation to Substitute Development Green Narcotics Project of Gold Triangle*, Website of Ministry of Public Security:

<http://www.mps.gov.cn/cenweb/brjlCenweb/jsp/common/article.jsp?infoid=ABC000000000000031548&category=700723003>

18) *Ministry of Public Security Reports the Situation of Substitute Development of Narcotics in China*, Website of Ministry of Public Security:

<http://www.mps.gov.cn/cenweb/brjlCenweb/jsp/common/article.jsp?infoid=ABC%201417&category=700723003>

technology exchanges, establishing agricultural demonstrating projects and supporting enterprises. China successively signed with many ASEAN countries bilateral agricultural cooperation agreements or MOU to effectively carry out cooperation in the exchange of talents and technology. Since 2002, China has held more than thirty Agricultural technology training courses for ASEAN countries with more than 500 trainees. In addition, China cooperated with ASEAN countries in prevention and treatment of bird flu, foot and mouth disease and vaccine development etc. China also spread “rural biogas” project to Cambodia.

Sixth, environmental and ecological security cooperation

In May 2005, the first Greater Mekong Sub-region environment minister conference was held in Shanghai. The meeting issued the *Joint Ministerial Declaration*. On 10th November, 2007, China and Indonesia signed MOU on marine cooperation. According to the MOU, the two countries cooperate with each in protecting marine and coastal environment, exchanging research materials and results etc.

Seventh, cooperation in preventing natural disasters, public health incidents and dealing with large-scale infectious disease

In the new century, East Asia has suffered several natural disasters, large-scale public health incidents. These events are severe challenges to the countries, and the spread of infectious diseases is also an urgent problem. To deal with these challenges, China and ASEAN countries have strengthened their cooperation. Many cooperation mechanisms have been gradually established and become the new platform for the cooperation between China and ASEAN in the field of non-traditional security issues. Cooperation in this field include: the first ASEAN plus Three Health Ministers’ Meeting on 23rd April 2004 in Penang, Malaysia; the first China-ASEAN Health Ministers’ Meeting in 2006; the 8th ASEAN Health Ministers’ Meeting of “ASEAN member countries to take cooperative measures in prevention and combating health emergency problems” and the Second ASEAN plus Three Health Ministers’ Meeting during 21st-22nd June 2006 in Rangoon; SARS prevention; joint control in Bird Flu; prevention and treatment of infectious diseases; providing assistance for Indian Ocean tsunami-affected countries, etc.

It is of great strategic importance for China and ASEAN to develop deep and lasting cooperation in the field of non-traditional security issues. As for China and ASEAN, it is actually a positive understanding and reaction toward globalization and regionalization. In the trend of globalization and regionalization, the practice tells China and ASEAN that strengthening regional cooperation and making efforts to promote the regional integration are the only way for developing countries to survive and to develop in the new historical

conditions.

After the Cold War, the world quickens its pace on globalization and regional economic integration. As a result, the non-traditional security issues emerge and become the global issue. As neighbors in the same region, China and ASEAN have to face these common issues. Compared with the traditional security issues, non-traditional security issues has its unique features: as for the causes, lots of traditional security issues are transnational; as for the damages and influences, they cross the boundary of a country — they are regional or global problems; as for the solutions, they cannot be solved without joint cooperation of countries in the region or the world. Therefore, China and ASEAN's cooperation is inevitable, and it is of interests for both sides to alleviate those common problems by cooperation. China and the ASEAN are developing countries, in the process of globalization and regionalization they are facing many common challenges and problems, including non-traditional security issues. Therefore, China and ASEAN strengthen cooperation in this field to jointly meet the challenges in globalization and regionalization. Cooperation in non-traditional security issues promotes the mechanism construction on cooperation between China and ASEAN and pushes their cooperation to higher levels.

In short, cooperation in the field of non-traditional security issues has become an important component of ASEAN-China friendly cooperation. It is also an important driving force to promote the relations between them. Therefore, China's "good-neighborly" policy and "peaceful development" strategy proves to be a success. However, there are still some uncertainties in the field of non-traditional security issues. China should assess the situation to adapt to the changes in the world, region and bilateral relations. Taking into consideration the existing policies and strategies, China should take positive and effective measures to promote the cooperation with ASEAN in the field of non-traditional security issues. Thus, it will provide a positive environment for China's peaceful development. China and ASEAN countries gradually reach a consensus: In globalization, each country has to face or is facing lots of common challenges. Therefore, we should surmount obstacles caused by race, ideology, value and so on to strengthen communication and exchanges, to strengthen cooperation, to promote the development of all mankind, and to construct a harmonious world.

IV. Summary

Since the founding of People's Republic of China, China's Southeast Asian policy goes through three historical periods:

In the first period (pre-Cold War, from 1949 to the early 1970s), China's Southeast

Asian policy serves for China's world revolution and internationalism strategy. Except for a few friendly countries, China was margined by most Southeast Asian countries in this region. China classified most Southeast Asian countries into "reactionaries". Most Southeast Asian countries regarded China as a scourge and drew the line with China to lean to the United States. During this period, ideology was the core of China's policy toward Southeast Asia. Since China supported world revolution and most of the Southeast Asian countries had problems of native Communist Party and political allegiance of ethnic Chinese in their countries, these Southeast Asian countries had to unite with the western camp with the U.S. at the core to become consciously or unconsciously the frontier of Western contain red China.

In the second period (past-Cold War, from mid-1970s to the end of the Cold War), China's policy toward Southeast Asia changed greatly. China made strategic ally with most of ASEAN and Southeast Asian countries to jointly oppose the former Soviet Union and Vietnam (Chinese called the two countries as "tyrant" and "small tyrants"). In this period, the world pattern was characterized by the cold war between the United States and the former Soviet Union for world hegemony. Facing aggressive posture of the former Soviet Union, the United States made friends with China and soon normalized its relations with China. Soon afterwards, China gradually normalized its relations with Southeast Asian countries under some preconditions: the influence of normalization of Sino-US relations; the increasing tense in Southeast Asia; ASEAN needs China's support to combat common threats and vice versa, China needs the strategic ally of ASEAN; Southeast Asian countries have basically solved the internal problems of native Communist Party and political allegiance of ethnic Chinese in their countries

In the third period (from the end of Cold War to the present), China and ASEAN strengthen their cooperation to seek common development and common prosperity. In the early period after the Cold War, there were worries that the relations between China and Southeast Asian countries might go for contradictions or confrontation. For lack of common enemy, their strategic alliance might break up and their disputes in ideology, territory, territorial waters and other aspects might break out again by the fuse of the South China Sea Dispute. However, all these worries did not happen. After the Cold War, China and Southeast Asian countries cherished the hard-won peaceful environment and made joint efforts to settle the Cambodia issue in a peaceful way. Then, they devote their efforts to economic construction and development. After the Cold War the quick development of globalization and regionalization spurs China and Southeast Asian countries to rethink their foreign policy and regional policy to fit the new era. For this new common goal, they come together again. In post-Cold War period, China adjusts its thinking and countermeasures in accordance with the ever changing global and regional

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environment, particularly the trend of globalization and regional economic integration. China strengthens multilateral cooperation with ASEAN to promote its integration with the Southeast Asia. In the cooperation, China works hard to develop new cooperation areas, and also, to push the cooperation to high levels.

The evolution of China's policy towards Southeast Asia is the result of three factors. The first is globalization. Globalization narrows the distance between China and the world, and forces China to accelerate the pace of reform and opening up to outside world. Chinese people realize that globalization is an inevitable trend and, active participation is better than participation under compulsion. The second one is from the region. Since the Cold War, the region pattern of Southeast Asia is peace and development. After a long period of war and turmoil, the people of Southeast Asian countries especially cherish the hard-won peaceful environment, and they are eager to develop economy, to lift out of poverty and backwardness. The third one is the improved China's domestic policy. After the catastrophic "Cultural Revolution", Chinese people learn from the bitter experience and take their central work as reform and opening up to outside world and economic construction. A peaceful, stable and prosperous Southeast Asia is in line with China's strategic interests, and vice versa, a peaceful, stable and prosperous China is in line with Southeast Asia's strategic interests. This is the basis of strategic partnership cooperation between China and ASEAN. By 10 years of common development and cooperation, China and Southeast Asia (ASEAN) have formed an interdependent relationship. This new type of relations between these countries will promote economic development and social progress. A new Community — China-ASEAN Community may be established earlier than East Asian Community. That will be one of the most important events in this century.