



# Southeast Asia and China

A Contest in Mutual Socialization

Lowell DITTMER • NGEOW Chow Bing  
*editors*

 World Scientific

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**Lowell DITTMER**

*University of California, Berkeley, USA*

**NGEOW Chow Bing**

*University of Malaya, Malaysia*



**World Scientific**

NEW JERSEY • LONDON • SINGAPORE • BEIJING • SHANGHAI • HONG KONG • TAIPEI • CHENNAI • TOKYO

*Published by*

World Scientific Publishing Co. Pte. Ltd.

5 Toh Tuck Link, Singapore 596224

*USA office:* 27 Warren Street, Suite 401-402, Hackensack, NJ 07601

*UK office:* 57 Shelton Street, Covent Garden, London WC2H 9HE

### **Library of Congress Cataloging-in-Publication Data**

Names: Dittmer, Lowell, author. | Ngeow, Chow Bing, author.

Title: Southeast Asia and China : a contest in mutual socialization / Lowell Dittmer,  
Chow Bing Ngeow.

Description: New Jersey : World Scientific, 2017.

Identifiers: LCCN 2016034584 | ISBN 9789813146877 (hc : alk. paper)

Subjects: LCSH: Southeast Asia--Relations--China. | China--Relations--Southeast Asia.

Classification: LCC DS525.9.C5 D58 2017 | DDC 303.48/259051--dc23

LC record available at <https://lcn.loc.gov/2016034584>

### **British Library Cataloguing-in-Publication Data**

A catalogue record for this book is available from the British Library.

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Desk Editors: Dipasri/Dong Lixi

Typeset by Stallion Press

Email: [enquiries@stallionpress.com](mailto:enquiries@stallionpress.com)

Printed in Singapore

# **Southeast Asia and China**

**A Contest in Mutual Socialization**

Dedicated to the Memory of  
Professor Lee Poh Ping, 1942–2016  
Institute of China Studies, University of Malaya

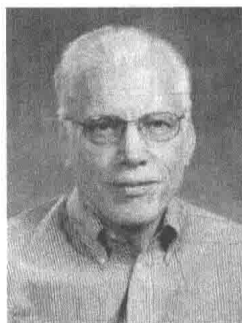
## Preface

China is important to Southeast Asia, and the reverse is true also. At present, there are many issues pertaining to China–Southeast Asia relations that deserve to be further investigated. How will the rise of China affect geopolitics? What are the strategies the countries in Southeast Asia adopt to face an increasingly powerful China? In what ways are China’s initiatives, such as the Belt and Road Initiative, received in Southeast Asia? What are the traditional norms that influence China–Southeast Asia relations? These are the questions that this volume attempts to illuminate. As editors, we are confident that the long-term dynamics and trends in the political, economic, and normative dimensions of the relations between China and Southeast Asia that are highlighted and discussed in this book are valid and contribute to the existing literature. Scholars, policymakers, journalists, and interested general public should benefit from reading this book.

We wish to acknowledge and thank Sunsuria Berhad (Malaysia), and the administrative staff of the Institute of China Studies at the University of Malaya (Susie Ling Yieng Ping, Geeta Gengatharan, and Nur Fatin Arina binti Dzuhri) for their support in the course of preparation of this book. Professor Lee Poh Ping, a chapter coauthor in this book, also played a major role behind the scene. Unfortunately he passed away on November 21, 2016. It is his memory that this book is dedicated to.

Lowell Dittmer  
Ngeow Chow Bing

## About the Editors



Lowell Dittmer is Professor of Political Science at the University of California at Berkeley, where he teaches Chinese and Asian comparative politics, and editor of *Asian Survey*. He is currently working on an analysis of China's recent Asia policy. His recent works include *Sino-Soviet Normalization and Its International Implications* (1992), *China's Quest for National Identity* (with Samuel Kim, 1993), *China Under Reform* (1994), *Liu Shaoqi and the Chinese Cultural Revolution* (rev. ed., 1997), *Informal Politics in East Asia* (with Haruhiro Fukui and Peter N.S. Lee, eds., Cambridge, 2000), *South Asia's Nuclear Security Dilemma: India, Pakistan, and China* (Armonk: M. E. Sharpe, 2005), *China's Deep Reform: Domestic Politics in Transition* (with Guoli Liu, ed., Lanham, MD: Rowman & Littlefield, 2006), *China, the Developing World, and the New Global Dynamic* (Boulder, CO: Lynne Rienner, 2010), *Burma or Myanmar? The Struggle for National Identity* (2010) and many scholarly articles. His most recent book is *Routledge Handbook of Chinese Security* (with Maochun Yu, ed., 2015).



Ngeow Chow Bing is Deputy Director of the Institute of China Studies at the University of Malaya. His scholarly articles on China have appeared in journals such as *China Review*, *Ethnic and Racial Studies*, *Journal of Contemporary China*, *Contemporary Southeast Asia*, *East Asia: An International Quarterly*, *China: An International Journal*, *Problems of Post-Communism*, *Issues and Studies*, *Ethnopolitics*, and *International Journal of China Studies*. He has recently published a coedited book (with Dr. Haiyun Ma of Frostburg State University and Dr. Chai Shaojin of the Ministry of Culture, UAE) titled *Zhenghe Forum: Connecting China with the Muslim World* (Institute of China Studies, University of Malaya, 2016).

Dr. Ngeow's research interests include China's political reforms, organization and management of the Chinese Communist Party, China's minorities, and China–Southeast Asia relations.



## About the Contributors

Kee-Cheok Cheong is Associate Fellow of the Institute of China Studies, University of Malaya.

Reynaldo C. Ileto is Adjunct Senior Fellow at S. Rajaratnam School of International Studies, Nanyang Technological University, Singapore.

Cheng-Chwee Kuik is Associate Professor at the Strategic Studies and International Relations Program at the National University of Malaya.

Lee Poh Ping was Senior Research Fellow at the Institute of China Studies, University of Malaya.

Li Ran is Research Fellow at the Institute of China Studies, University of Malaya.

Wen Xin Lim is Research Associate at the International Public Policy Pte Ltd. (Singapore).

Sien Ngan Ling is a Member of the Malaysian Association of American Studies.

Anthony Milner is Professor Emeritus at the College of Asia and the Pacific at Australian National University, and Visiting Professor at both Asia-Europe Institute and the Centre for ASEAN Regionalism, University of Malaya.

Ayame Suzuki is Associate Professor at the Department of Political Science, Doshida University (Japan).

Sarah Y. Tong is Senior Research Fellow at the East Asian Institute, National University of Singapore.

Alexander L. Vuving is a Professor at the Daniel K. Inouye Asia-Pacific Center for Security Studies.

Donald E. Weatherbee is Professor Emeritus at the Department of Political Science, University of Southern California and Russell Distinguished Professor Emeritus, University of South Carolina, USA.

Siew-Yong Yew is Senior Lecturer at the Department of Economics, University of Malaya and Faculty of Economics and Administration, University of Malaya.

Chen-Chen Yong is Senior Lecturer at the Department of Economics, University of Malaya and Faculty of Economics and Administration, University of Malaya.

You Ji is Professor and Head of the Department of Government and Public Administration at the University of Macau.

Zhao Hong is Visiting Senior Fellow at the ISEAS-Yusof Ishak Institute, Singapore.

# Contents

<i>Preface</i>	vii
<i>About the Editors</i>	ix
<i>About the Contributors</i>	xi
Chapter 1    Introduction <i>Lowell Dittmer</i>	1
<b>Part 1    Politics</b>	<b>19</b>
Chapter 2    China's Great Power National Identity and Its Impact on China–Southeast Asia Relations <i>Ngeow Chow Bing</i>	21
Chapter 3    Managing the South China Sea Dilemma: China's Strategy and Policy <i>You Ji</i>	51
Chapter 4    Independence and Friendship: Shared Histories in the China–Philippines Sea Crisis <i>Reynaldo C. Ileto</i>	71
Chapter 5    ASEAN and Vietnam's Security <i>Alexander L. Vuying</i>	93
Chapter 6    Malaysia's Hedging Strategy, a Rising China, and the Changing Strategic Situation in East Asia <i>Ayame Suzuki and Lee Poh Ping</i>	113

Chapter 7	Indonesia and China: The Bumpy Path to a Wary Partnership <i>Donald E. Weatherbee</i>	131
<b>Part 2</b>	<b>Economics</b>	<b>161</b>
Chapter 8	China–ASEAN Economic Relations <i>Sarah Y. Tong and Wen Xin Lim</i>	163
Chapter 9	The Future of ASEAN–China Trade Relations <i>Kee-Cheok Cheong, Siew-Yong Yew and Chen-Chen Yong</i>	187
Chapter 10	“One Belt One Road” and China–Southeast Asia Relations <i>Zhao Hong</i>	211
<b>Part 3</b>	<b>Norms</b>	<b>227</b>
Chapter 11	“Sovereignty” and Normative Integration in the South China Sea: Some Malaysian and Malay Perspectives <i>Anthony Milner</i>	229
Chapter 12	The Institutional Foundations and Features of China–ASEAN Connectivity <i>Cheng-Chwee Kuik, Li Ran and Sien Ngan Ling</i>	247
	<i>Index</i>	279

# Introduction

Lowell Dittmer

Southeast Asia and China have lived side-by-side for centuries, and while China has never been threatened by invasions from the south as it has from the west or the north, the Southeast Asians cannot say the same. China invaded Burma several times, occupied Vietnam for nearly a 1,000 years, during the Yuan even invaded Java in what is now Indonesia. The Chinese did not establish sustained colonies as in Western imperialism, perhaps mainly because in the preindustrial era economic exploitation had not yet become rational. In the 20<sup>th</sup> century, China gave ideological and limited logistical support to National Liberation Wars in former French Indochina, also to guerrillas in Burma, Malaysia, Thailand, the Philippines, Nepal and parts of India. The PKI in Indonesia, then the largest communist party in the free world, had very close relations to the Chinese Communist Party (CCP) before the attempted coup in 1965 that resulted in its suppression by the Suharto dictatorship. Yet at the same time Southeast Asians have admired and sent tribute to China beginning with the Tang dynasty as a source of cultivation and enlightenment. During the early 15<sup>th</sup> century the Ming eunuch Zheng He led a huge and impressive fleet in seven voyages through Southeast Asia and beyond to Africa in a conspicuous display of the achievements of that civilization. Millions of Chinese have migrated to Southeast Asia, where they have played a leading role in economic modernization. As contemporary Chinese diplomats sometimes remind

their neighbors, China is not going anywhere soon, however mixed the historic legacy.

During the Cold War, China was ideologically and politically split from Southeast Asia, retaining diplomatic relations only with the communist states of former French Indochina. Suspicion, which the CCP tended to dismiss as hoodwinked rumor-mongering instigated by backstage Western imperialists, lingered through much of the 1980s. But soon after China's "reform and opening to the outside world" was launched in 1978, ASEAN and China began to perceive complementary advantages in closer cooperation. China under Deng Xiaoping shifted focus from revolution to domestic modernization, for which it clearly needed Southeast Asian raw materials. The first big breakthrough came with the Asian Financial Crisis (1997–1999), when China helpfully declined to devalue its currency again, which might have pitched the region into a currency war. China also offered generous aid to Indonesia and Thailand, which the US refused to do and the International Monetary Fund (IMF) did but with humiliating conditions.<sup>1</sup> After that, mutual interests and avenues of cooperation increased. As the terms at the end of the Asian Cold War involved China giving up its attempt to export revolution and an exhausted American post-Vietnam withdrawal urging the region to become strategically self-reliant, Southeast Asia enjoyed a brief respite from great power politics, and they prospered economically and politically.

The Southeast Asian states pooled their resources in the Association of Southeast Asian Nations (ASEAN, founded in 1967) and developed certain methods and norms to forge mutual tolerance and cooperation in a hitherto divisive ethno-cultural brew. Encouraged by their success, after the Cold War they began to codify and extend the "ASEAN Way." ASEAN expanded to include the four previously shunned developmental

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<sup>1</sup> China quickly chipped in with an offer of bilateral assistance to both countries. The assistance package for Jakarta included USD3 million worth of medicine and materials, USD200 million worth of export credits and a USD400 million contribution to the IMF's Indonesian bailout package. To Thailand China offered a loan of USD1 billion, a contribution to the IMF's USD17.2 billion bail-out package, and promised infusion of new investments into the Thai economy. Aileen P. S. Baviera, "China's Relations with Southeast Asia: Political Security and Economic Interests," Philippine-APEC Study Center Network Discussion Paper No. 99-17, Hilo, Hawaii (1999): 24, 26.

dictatorships in the northern tier (Burma/Myanmar, Cambodia, Laos, and Vietnam, the “CLMV”), aspiring to regional inclusiveness.<sup>2</sup> In the 1990s, ASEAN also adopted a plan by its Eminent Persons Group (an internal think tank) to expand the scope of the organization to include relevant outside powers, in the context of which Japan, Korea and China were included first as ASEAN “dialogue partners” and then as members of the ASEAN Regional Forum (ARF), and later in ADMM+ (meetings of ASEAN + ARF defense ministers) and a growing number of other extended forums. The idea was that if all Asia could thus be socialized into the ASEAN Way this might provide a model for eventual EU-style regional integration. With the creation of the East Asian Summit (2005), Australia, New Zealand and India were also invited, and in 2011 Russia and the United States were included as well.

The People’s Republic of China (PRC), albeit initially wary of joining an organization previously associated with the “bourgeois reactionary” side of the Cold War, was invited to participate as a dialogue partner in the ARF at its founding in 1994, became a full dialogue partner in 1996, and by the end of the decade had helped set up the ASEAN plus one and the ASEAN Plus Three (APT) discussion forums. China was in 2002 the first non-ASEAN country to sign the Treaty of Amity and Cooperation (TAC), when it also signed a non-binding Declaration on Conduct in the South China Seas (SCSs). Trade and investment increased steadily. Indeed, throughout much of the 2000s it appeared that ASEAN’s socialization of its giant neighbor to the north was succeeding, following the precedent first set in integrating the four CLMV latecomers (Cambodia, Laos, Myanmar and Vietnam). Meanwhile, as the foreign policies of China and ASEAN converged, the US pulled back from Southeast Asia in the aftermath of the fall of Vietnam and in accord with the 1969 “Nixon Doctrine” which envisaged a more militarily self-reliant Pacific Rim. In view of the fact that China too had largely withdrawn from the region in its post-Mao refocus on rapid domestic economic development, many Southeast Asians were quite happy to be on their own. The Philippines evicted American forces from Clark Field and Subic Bay and encouraged private

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<sup>2</sup> Missing only Papua New Guinea and Timor-Leste, both of which are observers and candidate members.

development in 1992 and Russia was pushed out of Cam Ranh Bay, Vietnam's most modernized port, a decade later. It seemed Southeast Asia did not need external security.

But beginning in 2009 or 2010, some ASEAN members began to encounter apparent Chinese subtle resistance to this integration and socialization campaign. Beginning with a naval battle with Vietnam in 1988 and covert takeover of Mischief Reef in 1995, China began a more robust enforcement of its territorial claims to around 90% of the SCS. Why? In 1968, geologists conducting a survey for the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) found evidence of substantial hydrocarbon deposits in these waters. There have since been various estimates of just how large these deposits might amount to, but Beijing has accepted the most optimistic one. Meanwhile, according to the United Nations Convention on the Law of the Sea (UNCLOS) which came into legal effect in 1994, each nation bordering the sea had limited claims up to 200 nautical miles to the resources in the seas off its coast, and some (e.g., Vietnam and the Philippines) began exploiting them. China, which based its claim on a map sketched by the Nanjing Republic of China in 1947 (which in turn based that claim on historical evidence of prior Chinese visits to the islets), was put at a legal disadvantage by the UNCLOS rules (although like its Asian neighbors it had signed the treaty). Thus, its more assertive enforcement in 2010 in part reflected a desire to catch up to a rapidly changing maritime status quo. A second factor was China's establishment of a major base on Hainan Island, which fronts on the SCS, and China's wish to protect it from intrusive US surveillance.

Under these circumstances ASEAN began to try to reinforce the territorial status quo (as so perceived) by formulating a binding Code of Contact, while growing increasingly alarmed by the power China posed. China tended to ignore ASEAN members' conflicting claims and make incremental territorial advances utilizing minimally overwhelming force, as in the Scarborough Shoal incident in 2012, or in the 2014 construction of seven islands out of tiny or subsurface rocks by dredging land from the surrounding seabed. China's offer to negotiate joint venture agreements with ASEAN members bilaterally was seldom accepted, as Beijing made clear any joint venture was contingent on accepting Chinese sovereignty. In this process both sides subtly began to change: ASEAN shifted from its



“ASEAN way” of quiet bilateral conflict settlement to the search for a multilateral solution, inasmuch as China was too big and too powerful to face bilaterally. For its part China shifted from multilateral diplomacy (as in the APT, the ACFTA, or the ASEAN–China strategic partnership agreement) to a preference for bilateral negotiations. In this new climate of mutually rising temperatures the US, which had been moving away from Southeast Asia since Vietnam, became alarmed about the implications of a shift in the regional balance of power and announced a “pivot” or “rebalancing” to defend a newly discovered a “strong national interest” in peaceful resolution of the disputes in 2010. China was dismayed by this “interference,” now blaming the US for instigating regional resistance to its claims. Signs began to appear that ASEAN might be hopelessly divided over how to deal with this issue.

This brings us up to the present, a critical declension point in the relationship between Southeast Asia and China: a time of opportunity, a time of conflict, and a time of perplexing uncertainty. For a fresh and insightful analysis of this political-economic conundrum are here assembled a selection of top Southeast Asian scholars, some of whom presented early drafts of their research in a workshop organized by the Institute for China Studies of the University of Malaysia in June 2015. The book is thematically divided into three broad sections. The first and longest section is focused on the political dimension. In as much as the unresolved split within ASEAN is over whether to engage or to resist, we look at the strategies of three combative front-line states, China, the Philippines and Vietnam, and two relatively uninvolved states, Indonesia and Malaysia. The second section concerns the economic dimension of ASEAN relations, including a discussion of the recently unveiled “21<sup>st</sup> Century Maritime Silk Road” that traverses the region. The third section contains two chapters addressing the perhaps uniquely Southeast Asian attempt to craft an “ASEAN way,” an informal method or normative code for resolving contradictions without coming to blows.

## Politics

Our lead chapter by Ngeow Chow Bing contains a fascinating and original analysis of China’s emerging identity as a great power and its impact on China–ASEAN relations. Ngeow’s principal insight is that the narrative