The Objectives of China and Japan in Regional Processes in Southeast Asia

Kínai és Japán érdekek a délkelet-ázsiai regionális integrációs folyamatokban

Abstract

China and Japan, the two economic superpowers support different ways in the Southeast Asian regional processes. The different economic, security and strategic interests come from their special regional and global positions. While Japan tried and tries to protect its economic and political interests, China supported by its emerging economic and military power wants to have more voice in the regional and global stage.

Keywords: China, Japan, ASEAN, APT, APEC, ARF, EAS

Absztrakt

A két gazdasági szuperhatalom, Kína és Japán különböző regionális integrációs folyamatokat támogat a Délkelet-Ázsiai térségben. A két ország eltérő regionális és globális szintéren betöltött pozíciója differens gazdasági, biztonsági és stratégiai érdekeket eredményez. Japán a gazdasági és politikai érdekeit igyekszik megvédeni, miközben Kína a növekvő gazdasági és katonai erejét felhasználva egyre nagyobb befolyásra törekszik a regionális és a globális szintéren egyaránt.

Kulcsszavak: Kína, Japán, ASEAN, APT, APEC, ARF, EAS

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INTRODUCTION

Being the second largest economy of the world China has been playing a significant and decisive role both in the Asian, and in the global development. Even though the economic power of the country is unquestionable, according to the classification of the World Bank it still remains a developing country. Parallel with China’s economic growth its ambitions to influence and control the Southeast-Asian region through its political, economic and military power increased. For China, the importance to maintain its leading position in the region, where other countries are developing rapidly is also a very crucial objective.

On the other hand, in comparison to China, Japan is a small, but one of the most developed countries of the world having important security ties with the United States of America. The Japan-China contra-positions appear mainly due to economic and security reasons. For instance, from the geopolitical perspective, the South-China-Sea has a strategically important location for Japan.

The positions and roles of the two countries will be discussed in Asia-Pacific Economic Cooperation (APEC), Association of Southeast Asian Nations (ASEAN), ASEAN Regional Forum (ARF), ASEAN Plus Three (APT), and East Asia Summit (EAS) with the aim to analyze the objectives of China and Japan in different regional processes. Against this backdrop, the preferences of China towards participation in the APT, and Japan in the EAS will be scrutinized to show their attitude towards regional integration models. This comparison enables to reveal the different interests and to make conclusions on the areas of their possible conflicts and coordination.

Map 1.: Overview of Southeast Asia, Data: Google LLC, World Country Boundaries

ASIA-PACIFIC ECONOMIC COOPERATION

The Asia-Pacific Economic Cooperation was launched in 1989 by the initiative of Bob Hawke, the Australian Prime Minister, as an economic forum with the aim to “leverage the growing interdependence of the Asia-Pacific”\(^3\) and to promote free trade in the area. The APEC is a transregional forum of 21 members, including Japan and China. Japan favors the leadership taken by Australia, because of its tight relations with the U.S. and the EU, and because of the country’s strong economy. It is also important to mention, that for Japan Australia’s modern democracy is much more preferable than China’s approach, while at the same time Japan considers Australia and New Zealand as parts of Asia. However Australia is recognized as an independent continent and New Zealand is an island state in the Pacific, both of them are included in the APAC (Asia and Pacific) region by the international community.

In the association, the main interests of Japan are to protect its market and economy, and as much as possible to balance the power of China. The economy of Japan is more similar to the North American and Western European economic structures than to the Asian ones. Japan also has tight connections in economic and security terms with the U.S. Strategically, further opening of its internal market for the U.S., consequently and consistently deepening the relations, would have positive effects on security, too.

China represents the strongest Asian economy in the cooperation that is disadvantageous for Japan. Even though the APEC is considerable as a tool to improve the relations among Japan, South Korea and China, the Chinese hegemony in the South Asian region creates a negative atmosphere for Japan’s participation. To balance this distortion of weight in the cooperation, Japan has been promoting the membership of India, which was welcomed by the government of India in 2015, after concluding a bilateral economic cooperation agreement. The support for India against China is not merely of economic nature, but geopolitical and ideological also. Being a democracy, India fits better the Japanese approach to building up regional association.

\(^3\) Asia-Pacific Economic Cooperation, About APEC, Available at: http://www.apec.org/About-Us/About-APEC (consulted on: 01.09.2017)
ASSOCIATION OF SOUTHEAST ASIAN NATIONS

The underlying reasons for the establishment of the Association of Southeast Asian Nations were security and economic cooperation in 1967. The fragile security of the Cold-War era, the regional conflicts and the regional expansion of communism created a need for cooperation. In 2007, the ASEAN Charter was created to provide a legal status for the organization, to establish an institutional framework and to enforce the further cooperation between the members. The ASEAN is a regional organization. Over recent years ASEAN has served as a link between Japan and China on political and security discourses.4 Japan was seeking for tighter relations with the ASEAN and its independent members, promoting financial and technological support for them during the last

decades. The stability of the region and of the ASEAN members has been a crucial aspect in Japan's geostrategic interests, supporting its economic growth and trade ambitions. Recently, the Japanese foreign policy has been transformed to a multi-dimensional development approach combined with strategic and security targets that is not favorable for China. The consistency of the ASEAN members in relation to the South China Sea issue is a critical point for Japan. ASEAN is not able to speak in one voice; hence, China has an advantageous position to influence small countries such as Laos or Cambodia in order to convince them not to take clear positions in relation to the South China Sea.

Furthermore, The ASEAN countries are important markets. Hence, Japan is interested in security and economic cooperation. The economic interests are also important for China, and both countries started to conduct bilateral preferential trade agreements with the individual member states and with the ASEAN, however China moved forward faster in this field.


6 Ibid., p. 17.

Map 3.: ASEAN members, Data: Google LLC, ASEAN
ASEAN REGIONAL FORUM

The ASEAN Regional Forum was established in 1994, following the Nakayama proposal, as the only one regional security forum in the Asia-Pacific. In the First ARF Chairman’s Statement main objectives of its creation were determined as follows “to foster constructive dialogue and consultation on political and security issues of common interest and concern; and to make significant contributions to efforts towards confidence-building and preventive diplomacy in the Asia-Pacific region”. The ARF is composed by the ten members of the ASEAN, ten dialogue partners (including China and Japan), and seven non-ASEAN members. On the one hand, this composition was advantageous for small countries because of their inclusion to the forum, while on the other hand, it created great diversities in preferences. Japan was a supporter of the U.S. and the Western countries.

At the time of establishment Japan expected more success from multilateral framework than uni- or bilateral agreements on security cooperation to tackle the challenges of the early 1990s, such as the increasing military power of China and the rapid militarizing in South-Asia. The main aim was to make the region’s military development more transparent. An additional advantage was the ability for small countries in the region to control and influence the powerful neighbors together.

China was skeptical since the very beginning, because the transparency was contrary to its armed (arms?) development aims, however, Japan saw the ARF “as an effective instrument of engaging non-like-minded countries, most notably China”. Moreover, Japan considered the forum as a political regulatory tool against China, hoping to create further measures to solve the tension with China in the case of the Southern China Sea issue. Another aim was to deal with the emerging nuclear ambitions of North Korea. Having an important linkage to the isolated country, China plays a major role in the resolution of this issue.

Despite the early optimism, the ARF caused disappointment for Japan, because the confidence building ability of the countries of the region was minimal, and the forum ignored settlement of disputes. At the same time the U.S. was looking for other possible forums to tackle the region’s security threats, while China prefers disputes discussions on

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9 Takeshi Yuzawa, op. cit., p. 468
11 Ibid., p. 184.
the South China Sea issue in bilateral ways, and tries to keep away the U.S. from the discourses.\textsuperscript{12}

Map 4.: ARF members (countries listed, but not located in SE Asia or Asia are not visible) Data: Google LLC, ARF/ASEAN

ASEAN PLUS THREE

In 1997 during the East-Asian economic crisis, ASEAN Leaders invited China, Japan, and South Korea to a meeting that prepared the cooperation. In 1999, the institution became operational, and the first ASEAN Plus Three meeting was held in Manila. The ASEAN Plus Three is a regionalism “plus” organization. The leaders agreed to cooperate in different fields of finance, foreign policy, and economy. The initiative covers transport, information and communication technology, energy, health, labor, and technology. The financial cooperation includes regional macroeconomics. China “regards ASEAN+3 as a natural grouping for East Asia’s trade and investment cooperation.”\textsuperscript{13} Japan also proposed the creation of the Asian Monetary Fund which initiative was strongly opposed by the IMF and the U.S.\textsuperscript{14}


\textsuperscript{13} Masahiro Kawai Dean and Ganeshan Wignaraja, \textit{ASEAN+3 or ASEAN+6: Which Way Forward}, Conference on Multilateralising Regionalism, 10-12 September 2007, Geneva, Switzerland, p. 10.
The rivalry between Japan and China for leadership in the South Asian region refers to the extension of their influences in the area. In this competition, China has an advantage by developing good relations with neighbors using diplomacy and preferential trade agreements as tools. Although Japan wants to promote its own economic model in the region, at the same time it makes efforts to protect its markets. Japan’s “importance as an economic actor and role model has been diminished” after the financial crisis. Moreover, the lost positions are taken over by China.

In the case of China, its growing economy helped the regional development after the crisis. China supports the East Asian Free Trade Area in the ASEAN Plus Three framework, and with this support of regional organizations, it can increase its political and economic influence, while at the same time Japan’s importance is declining in the East-Asia region.

Map 5. ASEAN+3 members, Data: Google LLC, ASEAN

Available at: https://www.wto.org/english/tratop_e/region_e/con_sep07_e/kawai_wignaraja_e.pdf (consulted on: 20.09.2017)


Ibid., p. 96.

Ibid., p. 81.

The Eastern Asia Summit was established in 2005 with the aim “to further the objectives of regional peace, security and prosperity”\textsuperscript{19}. The Forum promotes dialogue on security, economic and political issues. The organization has 18 members, including Australia, New Zealand, USA, Russia, and India. The Eastern Asia Summit is a regionalism “plus” organization.

The composition of the EAS creates an advantageous atmosphere for Japan. As it has already been mentioned, Japan supports India to participate in regional organizations with the aim to balance the hegemony of China. The U.S. supports Japan, while the Japanese definition of Asia includes Australia and New Zealand. These countries together represent a sufficient power to decrease the influence of China in the Summit. Moreover, the U.S. involvement helps to increase the security of Japan. Hence, Japan prefers the further regional development in the EAS framework through an establishment of a free trade agreement with the members of the EAS.

\textbf{Map 6. EAS members (countries listed, but not located in SE Asia or Asia are not visible) Data: Google LLC, EAS}

\textsuperscript{19} ASEAN India, \textit{East Asia Summit}, Available at: http://www.mea.gov.in/aseanindia/about-eas.htm (consulted on: 27.09.2017)
CONCLUSION

Through the analyses of the different regional organizations, it is obvious that China and Japan have significantly different approaches to regional processes. The most important interests of Japan in the region are to secure the South China Sea; to involve its democratic Western allies and India in the regional organizations with the aim to increase security and to balance China’s hegemony; to protect its markets; to stabilize the Southeast Asian region; to deal with the threat of North Korea; and the economic development. On the opposite side, China wants to increase the influence in the region; tries to keep Japan under control; does not want to let India to become a significant actor; tries to diminish the U.S. influence in the region; and economic development.

Although the ambitions and interests differ; three crucial similarities are observable: the need for economic development; the plans of regional free trade agreements; and both countries see the future in regionalism “plus” organizations.

Comparing the different and similar interests and the characteristics of the regional organizations it is arguable that the preferable regional cooperation for further development is the ASEAN Plus Three for China, and the Eastern Asia Summit in the case of Japan. The ASEAN Plus Three provides the possibility for China to increase its role and influence in the East-Asia region, while at the same time to create the envisaged East Asia Free Trade Area. On the other hand, Japan has a possibility with the Eastern Asia Summit to recover its regressive influence in the region, to balance the hegemony of China, and to involve its strategic partners in a free trade area.

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