

Chapter 11

China's participation in Asian multilateralism: pragmatism prevails

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Introduction

China started to truly participate in various multilateral regimes after it was admitted into the United Nations (UN) and became a permanent member of the UN Security Council in the early 1970s. Its involvement in international economic institutions intensified as its reform and opening-up program was initiated in the early 1980s and deepened in the 1990s. China's participation in Asian regional multilateralism, however, lagged behind its presence in regimes at the global level. It was really in the late 1990s that China started to take an active stance towards multilateralism in Asia, partly because of the belated development of multilateralism in the region. Beijing now regards multilateral diplomacy as an integral and important part of its foreign policy.

It now seems a cliché to say that China no longer shuns multilateralism in the Asian region. Not only is China a participant in almost all official and track-two institutions and forums, it has played a leading role in creating one of the most influential regional organisations: the Shanghai Cooperation Organisation (SCO). China is now not only involved in all these processes, it actively makes proposals on all sorts of issues of regional concern. In recent years, Beijing has even shown some signs of confidence in participating in multilateral security activities—for example, joint military exercises. On the South China Sea issue, which is a highly contentious one in East Asia, China has changed its previous callous position of adhering to bilateral talks and now at least grudgingly agrees to multilateral discussions. In fact, in the past few years, China has conscientiously pushed for trilateral cooperation—with the Philippines and Vietnam—on resource exploration in the South China Sea.

Why has China become so active in multilateralism? What are the most notable Chinese concerns about regional multilateralism? This chapter, extensively utilising various Chinese sources and interviews, attempts to address these questions. I seek some answers by looking at the track record of China's participation in regional multilateral processes and comparing the differences in China's participation and role in the three subregions in Asia: South-East Asia,

North-East Asia and Central Asia. I conclude that China has not yet developed a grand vision for regional multilateralism and integration. China's behaviour in Asian multilateralism has been driven largely by pragmatism: the pursuit of short-term national interests in accordance with changes in regional political and economic circumstances. This pragmatism is revealed in China's super-activism in economic multilateralism, enthusiasm for non-traditional security cooperation and differentiated approaches to conflict prevention in East and Central Asia.

China assesses the prospect of East Asian multilateralism

It goes without saying that China attaches great importance to its relations with countries in its neighbourhood. In fact, Chinese analysts propose that as part of its strategy to ensure its own rise, China should regard East Asia as its strategic hinterland and should actively participate in regional institution building as a fundamental policy (Angang and Honghua 2005). The Chinese Communist Party's sixteenth congress report in 2002, for the first time, juxtaposed regional multilateral cooperation with bilateral relations—a clear indication that Beijing had begun to attach greater importance to multilateralism (Honghua 2008). Five years later, Chinese leaders reaffirmed this position at the Seventeenth Party Congress. In recent years, China has regarded good relations with its contiguous neighbours and multilateralism as two of its four basic foreign policy guidelines.¹

This section describes China's overall assessment of the ultimate prospect of various multilateral mechanisms in Asia. Even though China has willingly accepted multilateralism as an approach in its international relations in Asia, it is not clear what Beijing regards as the ultimate goal or what kind of regional community all these multilateral mechanisms should eventually lead to. In 1999, at the landmark third '10+3' summit, leaders of the 13 countries agreed on the principles, direction and key areas for East Asian cooperation. Together with other members of the 10+3 framework, at the sixth 10+3 summit, China approved the report drafted by the East Asian Vision Group in 2002. The report proposed an East Asian free trade agreement (FTA) and an East Asian community. Despite clear support for an East Asian FTA, Beijing has offered no clear blueprint of its own version of an East Asian community.

In fact, there is profound scepticism among Chinese decision makers and analysts with regard to the prospect of East Asian regionalism. In the Chinese understanding, many challenges remain with regard to the further development of regionalism in East Asia. One of the challenges is the geographical expansion of regional cooperation and forums—for example, the East Asian Summit (10+6), which also includes India, Australia and New Zealand. Many Chinese analysts regard the East Asian Summit (EAS) as a setback or at least a new barrier to the growth of East Asian multilateralism. They believe such expansion has made

forming a common geographical identity (related to cultural identity and common values)—an essential element in any regionalism—more difficult, if not impossible (Jianren 2008). Chinese analysts also take note of the fact that the Association of South-East Asian Nations (ASEAN), currently the driver of East Asian regionalism, has no consensus on the geographical boundary of regional multilateral processes. For instance, two of the three conditions required by ASEAN for other states to become EAS–ASEAN dialogue partners—signing ASEAN's Treaty of Amity and Cooperation (TAC) and substantive interactions with ASEAN—have no specific geographic limitation. According to Chinese analysts, this vision of a borderless regional community would only compound the growth of multilateralism in the region given the fact that even within the 10+3 framework, differences in cultural identities and values are already a huge challenge.

Related to this concern, and perhaps a much more important factor in China's assessment of Asian multilateralism, is the role of the United States. Many analysts in China simply do not believe that the United States will play a constructive role in promoting East Asian integration. Many believe that US supremacy in East Asia is not good for regional integration. They argue that since many East Asian countries still depend on the United States for political, economic and security interests, they have little incentive to further enhance multilateral cooperation within the region. Regional states still have to pay respect to US preferences when it comes to regional multilateralism. For instance, during the East Asian financial crisis, Japan proposed setting up an Asian monetary fund to cope with future financial problems in the region. Japan had to drop the idea, however, when the United States strongly opposed it (Hongsong 2006).

Beijing also believes that the traditional US 'hub and spokes' security arrangements are not conducive to the growth of new security modes in East Asia—for example, cooperative security. The popular expectation among regional states of US security protection does not provide any incentive to push for new security arrangements. Given the fact that US predominance and its bilateral security ties with various regional states are perceived as effective in maintaining regional security, cooperative security in East Asia is not likely to take shape in the foreseeable future (Fan 2005).

In the Chinese understanding, the United States can live with an East Asian regionalism that is open, inclusive and capable of solving all problems, including security issues, but Washington is opposed to a stronger Chinese role in any regional grouping. Washington once favoured Japan as the leader in spearheading East Asian multilateralism, but in recent years it has realised that there are many restraining factors for Japan: its relations with neighbouring countries and its declining economic importance as China's economy continues to grow. The United States is, however, not ready to accept any Chinese leadership role in

pushing for East Asian regionalism, fearing that the rise of Chinese influence might diminish American clout in the region. By default, Washington continues to support ASEAN remaining in the driver's seat. The United States is also concerned about the function of a future East Asian community, fearing that it might marginalise the Asia Pacific Economic Cooperation (APEC) group and the ASEAN Regional Forum (ARF), two institutions that Washington has a lot of complaints about yet still regards as useful tools to advance its interests in East Asia (Xinbo 2007).

In addition to these factors, Beijing takes note of conflicting policy pronouncements from Washington and believes that American policy on East Asian multilateralism is uncertain. Former Secretary of State Colin Powell (2004) commented that the United States regarded an East Asian community as unnecessary and warned that any effort towards such a community should not be carried out at the expense of Washington's good and stable relations with its Asian friends. In early 2006, US APEC senior official Michael Michalak (2006) commented on East Asian regional processes by saying that the United States did not think the ASEAN+3 or EAS would harm American interests but, at the same time, he unequivocally reiterated the importance of cross-Pacific institutions and organisations. In May 2006, Assistant Secretary of State Christopher Hill (2006) said that America understood Asian countries' consideration for regional architecture, which was largely a reflection of the economic and financial integration among these nations. The United States welcomed that effort.

Some Chinese scholars believe that the uncertainty in American policy is reflected in its conditional support for and selective participation in East Asian multilateralism. They argue that the United States should further adjust its policy to become a constructive force in East Asian integration (Rongsheng 2007). On the part of China, despite profound suspicion of US intentions, there has been growing awareness that Beijing will ultimately have to recognise US preponderance in the region even in the long run and accommodate US interests in any future East Asian multilateral mechanisms. Lin Limin, a strategic analyst at the China Institute of Contemporary International Relations (CICIR) argues that the United States is a 'special' external power to East Asia due to all the political, economic, historical and emotional ties it has with many countries in the region. He argues that US policy towards East Asian regionalism is at a crossroads. The United States should support and participate in the process of East Asian integration and be a responsible member of the grouping. East Asia, in return, should adopt a 'grand' scheme of integration to incorporate the United States (Limin 2007).

In the Chinese perception, Japan's policy on regional multilateralism has also been inconsistent. This is largely a result of Japan's uncertain orientation—whether it should identify itself as one of the Western powers or

root itself in East Asia. Chinese analysts detect some sort of oscillation in Japanese strategy in regional multilateralism between strengthening its alliance with the United States as its key international strategy and pushing for a leadership role in regional integration. They believe that currently Japan does not have a coherent regional integration plan, which does not bode well for a Japanese leadership role in furthering regional multilateralism (Shichun 2007).

Many Chinese analysts believe that Japan, nevertheless, intends to strive for a leadership role and restrain China and forestall China's dominance in East Asia, which is likely to work against a smooth development of multilateral cooperation in the region (Hongling 2006). They point to many instances in Japan's policy moves in South-East Asia to demonstrate Japan's intention of trying to outrun China. For instance, in 2002, when former Japanese Prime Minister Junichiro Koizumi proposed the idea of an 'expanded East Asian community', he had in mind a leading role for Japan, with support from ASEAN, to include extra-regional states such as Australia. China believed Koizumi's plan was an obvious initiative to check growing Chinese influence in East Asia (Honghua 2008). Another example frequently mentioned in China is Japanese reaction to China's signing of the TAC. Two months after China acceded to the ASEAN TAC, Japan decided to sign the treaty as well—a clear indication of a Japanese response to China's proactive engagement in South-East Asia. Beijing maintains that Japan's insistence on incorporating India, Australia and New Zealand in the East Asian Summit is simply another major Japanese step to restrain Chinese influence in East Asia (Zhilai 2006).

More recently, in 2006, Japan proposed an East Asian Economic Partnership Agreement (EPA), envisioning concluding an economic partnership agreement among ASEAN countries: Japan, China, South Korea, India, Australia and New Zealand (Junhong 2006). This EPA proposal would far surpass a regional FTA to include arrangements for investment, services and human flows. Chinese reports claimed that the Japanese proposal was intended to put Japan in a leadership position in East Asian regionalism and to restrain the rise of China ('Japan intends to promote "East Asia economic partnership agreement" to check China's rise', *China News Service*, viewed 7 August 2008, <<http://world.people.com.cn/GB/1029/42354/4271464.html>>). Since the second half of 2006, China and Japan have made many efforts to improve their strategic trust, but Japan's intention to constrain China on political and security issues in the region has not dwindled (Honghua 2008). The Sino-Japanese competition for leadership in East Asian multilateralism, in particular the Chinese perception of an assertive Japan, is another factor that has contributed to China's lack of confidence in a bright future of regional multilateralism.

China is also not sure how ASEAN is going to readjust its policy on East Asian multilateralism. China takes note of ASEAN's volatile positions on the geographic

boundary of regional integration. The chairman's statement of the twelfth ASEAN Summit in January 2007 insisted that 10+3 should be the main approach to an East Asian community, but in the chairman's statement from the thirteenth ASEAN summit, there was no mention of using 10+3 as the main channel; it instead emphasised the complementarities of 10+3 and EAS. At the third EAS, ASEAN Secretary-General, Ong Keng Yong, noted that 'ASEAN has reached a consensus regarding Japan's proposal of including Australia, New Zealand, and India into [an] East Asian community' ('East Asia community to accept New Zealand, Australia, and India', *Central News Agency*, 20 November 2007). Beijing closely watches these subtle changes in ASEAN's position and is likely to regard ASEAN's vacillation as further evidence that continuing substantive growth of multilateralism in Asia is still inopportune. In the long run, China might not have confidence in ASEAN's ability to lead multilateralism in East Asia. According to one Chinese observer (Xiaosong 2008), if multilateralism in this region is going to lead to further regional integration, the leadership role will have to be exercised by a three-power consortium: China, the United States and Japan. Given the above evidence of the relations among these three powers, however, such a consortium might not be feasible in the foreseeable future.

In response to all these challenges, China steadfastly insists on relying on the 10+3 as the main framework for regional economic cooperation, it supports ASEAN's role in the driver's seat and maintains a gradualist approach to East Asian regional multilateralism. China believes that the 10+6 should not replace the 10+3 and that conditions for an FTA among the 10+6 countries are not yet mature (Jianren 2008). In order not to appear obstructionist, China has tried to downplay the importance of the EAS instead of refusing to be part of it, arguing that the EAS should more properly serve as a strategic platform for the exchange of ideas and facilitation of cooperation ('Premier Wen Jiabao's speech at the second EAS', *Xinhua News Agency*, 15 January 2007). In practice, Beijing still values 10+3 and 10+1 mechanisms for substantive cooperation.

In sum, in spite of active participation in all regional institutions and emphasis on 10+3 and 10+1, China believes that the prospect that various regional multilateral processes will lead to a discernable East Asian community is not good in the near future. Many factors are restraining the growth of such a community, including regional states' reluctance to relinquish their sovereignty, cultural differences, historical problems and the still-dominant position of the United States (Hongsong 2006). Because of the United States' hegemonic presence and the rivalry between China and Japan in East Asia, East Asia can develop only limited regionalism, an incomplete regional security architecture and security community (Zhongqi 2006). Due to these factors, China has not clearly defined its role and position in the East Asian community (Xintian 2008). In the meantime, China seems unconcerned by the pessimistic estimation of the prospect of East Asian multilateralism. What it intends to focus on now is pragmatic

cooperation in areas of Chinese concern. Former Deputy Foreign Minister Wang Yi (2004) once noted that China pursued an open regionalism to carry out practical cooperation with regional states and at the same time did not exclude the United States and other external powers.

China's super-activism in economic multilateralism

Despite the fact that China is not exceptionally sanguine about the prospect of East Asian integration, it has taken a proactive stance on bilateral and multilateral economic cooperation. China has worked hard to push for bilateral FTAs with various East Asian states—for example, South Korea and Japan—but at the same time has strenuously pushed for economic collaboration at the multilateral level. Some Chinese analysts believe that bilateral FTAs could be beneficial to parties in the bilateral frameworks, but bilateral agreements that work parallel to each other could bring about various costs—for instance, policymaking and administrative expenditure, industrial readjustment costs and increased trade transfers that could offset the benefits of comparative advantage (Ronglin 2005). Thus, Beijing favours liberal multilateral economic cooperation.

China's early interest in economic multilateralism had its origin in political considerations. When the former Malaysian leader Mahathir bin Mohamad made the proposal to set up an East Asian economic group in December 1990 during a visit to Beijing, then Chinese Premier Li Peng immediately responded positively, indicating that China's consent was largely a political decision instead of one made after careful deliberation of economic costs and benefits. Former Chinese Presidents Yang Shangkun and Jiang Zemin on different occasions between 1992 and 1994 expressed China's support for such an idea, showing China's enthusiasm for such a regional economic grouping (Jianren 2008). China's early interest in economic multilateralism was related partly to its desire to end its diplomatic isolation in the aftermath of the Tiananmen Square episode.

Over the years, China's growing interest in multilateral economic regimes has been a reflection of a mixture of economic and political interests. In 2001, Beijing proposed the FTA with ASEAN together with some flexible measures such as the early harvest scheme. This move was seen widely as being driven partially by China's political goal of reassuring ASEAN countries of its benevolence and further defusing the 'China threat' in the region. There are, of course, other multilateral projects in South-East Asia in which China plays an active role—for instance, the Greater Mekong River Basin project and the emerging pan-Tonkin Gulf regional economic zone. The Kunming Initiative, although supported by China, has, for various reasons, not made much progress.

In North-East Asia, China is also engaged in a number of multilateral economic projects, the largest of which is the Tumen River regional development, initiated by the UN Development Program (UNDP) in 1991. This project covers a wide

range of areas, including investment, trade, transportation, environmental protection, tourism, human resources, communications and energy. Japan, however, has not participated fully, but has instead joined as an observer only (Guoping 2007). Chinese scholars have also been advocating the Bohai economic circle in order to further develop the economy in northern China and to revitalise the industrial base in north-eastern China. This subregional economic zone would require the participation of South Korea and Japan (Ziheng 2004).

China is also enthusiastic about a trilateral FTA between China, South Korea and Japan. In 2002, China made an informal proposal for such an FTA. A joint research group completed a feasibility study in 2003, concluding that a trilateral FTA would be very beneficial to the three economies. The group also conducted a feasibility study on possible modes of trilateral investment arrangements and concluded that such arrangements would contribute to economic growth in the three countries. At the informal meeting in Bali, Indonesia, in 2003, leaders of the three countries signed a joint statement on the promotion of trilateral cooperation on trade and investment facilitation. Since then, the three parties have made some progress in adopting facilitation measures in customs, networking of ports, communications and environmental protection.

In official Chinese planning, an FTA among the 10+3 countries should ultimately take shape. A Chinese study concluded that a 10+3 FTA would contribute economic growth of 1.96 per cent and 0.34 per cent to China and Japan respectively (Lijun 2007). At the 2004 ASEAN–China summit, Chinese Premier Wen Jiabao called for an FTA in East Asia and an East Asian community based on such an FTA. This clearly shows China’s strong desire to push for broader economic multilateralism in East Asia. The incentive for such preference is derived increasingly from the inherent need of China’s domestic economic growth. China is increasingly becoming the trading and production centre of East Asia. According to some estimates, the volume of China’s foreign trade is likely to overtake that of Japan and be close to that of the United States by 2020. By then, more than half of China’s imports will come from other East Asian countries. In the coming 20 years, China is likely to maintain notable surpluses in its trade with the United States and Europe and large-scale deficits with East Asian countries. On the basis of the expected economic interdependence, Chinese analysts recommend that a future East Asian FTA could be formed on the basis of China–ASEAN, South Korea–ASEAN and Japan–ASEAN FTAs (Yunling 2006). Likewise, in Central Asia, China has exhibited much interest in multilateral economic cooperation. At the 2003 SCO summit, Premier Wen proposed setting up a free-trade area among member states of the organisation. China’s active involvement in Central Asia has stemmed largely from its need for secure and diversified energy supplies to safeguard its rapidly developing economy (Andrews-Speed and Vinogradov 2000).

China's enthusiasm for NTS multilateralism

In the past decade or so, China has demonstrated enthusiasm towards non-traditional security (NTS) cooperation in Asia. Chinese analysts believe that cooperation on NTS helps enhance mutual understanding and trust among regional states, cultivates the growth of regional identity and deepens and broadens regional cooperation mechanisms. All these are helpful for gradual integration in the region (Shengrong 2008). In recent years, many Chinese analysts have been proposing a larger role for the military in multilateral cooperation on NTS issues in East Asia.²

China has cooperated extensively on NTS issues with other countries in Asia. In 2000, bilaterally with ASEAN, China signed an action plan on countering drug trafficking. In the same year, China participated in the Chiang Mai initiative for East Asian cooperation on financial security. In 2001, China, Laos, Myanmar and Thailand held a ministerial-level meeting on fighting drug trafficking and published the 'Beijing Declaration'. In 2002, China and ASEAN signed a joint declaration that specified issues of cooperation between the two sides in the NTS area: drug and human trafficking, piracy, terrorism, arms trafficking, money laundering, other international economic crimes and Internet crime. China pledged to cooperate with various parties concerned on marine environmental protection, search and rescue and anti-piracy. In 2003, China and ASEAN held a special summit meeting to tackle severe acute respiratory syndrome (SARS) and initiated a cooperation mechanism on public health. In 2004, China signed a memorandum of understanding with ASEAN on NTS cooperation, which further emphasised the need for Sino-ASEAN cooperation on NTS matters.

In North-East Asia, China, South Korea and Japan have also taken some steps to strengthen their cooperation on NTS issues. These measures include environmental protection, earthquake relief and tackling transnational crime. Starting from 1999, the three countries launched a ministerial-level meeting on the environment and various concrete proposals on sandstorms and marine environmental protection were carried out. In 2004, the authorities monitoring earthquakes in the three countries agreed to share seismic information and technology. The immigration authorities of the three countries have also held workshops on countering terrorism, drug trafficking and human trafficking in North-East Asia.

In the larger context of East Asia, China's posture towards NTS has also been quite positive. In 2004, ASEAN+3 held its first ministerial-level meeting on fighting transnational crime. In 2005, ASEAN+3 signed an agreement on cooperation among their capital police agencies to jointly fight various NTS challenges. China also has no problem working on NTS issues within the ARF. China did not lodge any opposition to the 2002 ARF joint statement that called for enhanced cooperation on fighting drug trafficking, illegal immigration,

money laundering and piracy at sea. The 2005 ARF joint declaration stressed regional coordination and cooperation on disaster relief and other measures for emergencies.

In APEC, in which China has quite vehemently opposed any inclusion of discussions of security matters, Beijing has not blocked multilateral efforts on fighting NTS issues. The APEC summits in 2001 and 2002 published two statements on counter-terrorism. The 2003 and 2004 declarations further emphasised multilateral cooperation to fight terrorism and other transnational crimes. China also agreed to the APEC initiative to deal jointly with various transnational health epidemics, such as HIV/AIDS, SARS and avian influenza.

In Central Asia, China has an impressive record of working with other SCO members to meet various NTS challenges—primarily the so-called ‘three evil forces’: separatism, religious extremism and terrorism. The SCO has set up various institutions and signed many legal documents on all sorts of NTS threats.

China’s different approaches to preventive measures on security

China’s policy stance on traditional security issues is in sharp contrast with its attitude towards economic and NTS cooperation. Overall, China is still reluctant to work multilaterally on sources of potential interstate military conflicts. In particular, China has been opposing quite strongly any preventive measure that would impinge on domestic issues. There are, however, some notable differences in China’s stance across various regions. In South-East Asia, China has been quite adamant in opposing the further institutionalisation of preventive measures on traditional security issues. In North-East Asia, China has taken an active role in helping solve the North Korean nuclear crisis. China is also open to the discussion of a security framework in North-East Asia.³ In Central Asia, China has been more willing to engage member states of the SCO on preventive measures to deal with traditional and non-traditional security issues.

Overall, China’s reluctance to agree to more substantive multilateral preventive measures is a reflection of its concerns about US predominance and what it perceives as the United States’ hostile security policy towards China in East Asia. The most alarming assessment of American intention in East Asia is that Washington plans to establish and consolidate a strategic encirclement of China from East Asia, South-East Asia, South Asia and extending to Central Asia. China believes that various military exercises that the United States conducts with China’s neighbouring states are intended to put pressure on China and provide more leverage to states in China’s neighbourhood (Deqi 2006). For many years, China did not participate in the Shangri-la security dialogue, the primary reason being its belief that the dialogue was influenced too excessively by Washington

from behind the scenes. The forum was perceived as a mechanism to constrain China strategically.⁴

In the first years of China's participation in the ARF, China was afraid that the United States and its allies would use the forum as a tool to harm China's security interests. Beijing understood that one of the original goals of setting up the ARF was to restrain and socialise China. In 1995, at the second ARF meeting, China expressed its reservations with regard to the norms and principles on regional security proposed by other participating countries. At the 1996 ARF meeting, former Chinese Foreign Minister Qian Qichen elaborated China's 'new security concept', urging states to solve security problems through dialogue and consultation. China hoped to expand confidence among major powers in the Asia-Pacific, strengthen ASEAN's understanding of China and thus reduce the influence of the perception of the 'China threat'. China also found out that the ARF could be a good forum in which to fight the Cold War mentality of some external powers (Yanbing 2000). All these demonstrate China's pragmatism in security cooperation.

For China, participation in the ARF has been both an opportunity and a challenge. China can utilise the forum to explain its policies and stances so as to reduce misunderstanding and influence the perceptions of other states towards it. Participation also means, however, that China will have to face up to the collective pressures of ASEAN and other countries. Chinese analysts list China's concessions on the South China Sea issue as examples of the negative consequences of China's participation. Some of the major concessions include agreeing to multilateralism as a means to deal with the dispute instead of the previous bilateral approach, China's agreement to use international law as a basis for a solution to the problem and the signing of the declaration of cooperation (Changsen 2000).

In 1997, China sent a delegation to various Asian countries to lobby for the abrogation of bilateral and multilateral security alliances. The focus was of course on persuading various countries in East Asia to forgo their bilateral security ties with the United States. That effort was not successful. ASEAN countries indicated their disapproval of the Chinese suggestion. China, in return, understood better the concerns of ASEAN countries and has not since openly pursued this issue. It was a turning point for China to accept at least implicitly US military presence as a balancing force in East Asia (Xiaopeng 2006).

Still, the biggest challenge for China is how to cope with the security environment in East Asia. On one hand, there is the reality of the US-centred bilateral security arrangements that still serve as the backbone for security in the region. On the other hand, the bilateral arrangements seem to be expanding at the expense of Chinese security interests. For instance, in the past few years, there has been growing interest among the neo-conservative thinkers in Washington in constructing an Asian version of the North Atlantic Treaty Organisation (NATO).

In March 2007, Japan and Australia signed a joint declaration on security cooperation in which the two countries pledged to enhance cooperation and consultation on issues of common strategic interest including regularly holding the '2+2' defence and foreign ministers' talks. In the past few years, efforts have also been made to bring India in to form some sort of quadrilateral security mechanism in East Asia. Although leadership changes in Japan and Australia made the possibility of forming a quadrilateral security mechanism less likely, to Chinese decision makers, all these efforts reinforced their perception that other regional powers had the intention, no matter how volatile, to gang up on China.

These perceptions and beliefs explain why, in the ARF, China, together with ASEAN countries, belongs to the group of 'reluctant' countries that has not been enthusiastic about preventive diplomacy. China's unwillingness to move towards preventive diplomacy in the ARF is a reflection of its concern that any problem in the South China Sea or the Taiwan Strait would allow international interference (Yuzawa 2006). Beijing maintains that there is still a lot of work that needs to be done to enhance confidence-building measures in the region, which are at their most primitive stage in East Asia. Pushing to enter a stage of preventive diplomacy would not be good for the development of the ARF (Kuisong 1998).

China realises that Asia-Pacific is an area in which major powers have significant interests. The primary goal for China's security strategy in the region is to maintain at least normal and functioning relations with all other major powers so that China is not isolated by other powers. China's second goal is to try its best to maintain friendly relations with other regional states to forestall the possibility of any containment alliance supported by other major powers. China increasingly realises that economic interdependence creates common interests and is conducive to the prevention of conflicts. Beijing believes that the best strategy is to become the provider of markets, investment and technology for regional states to transform China into the engine of regional economic growth (Shiping and Yunling 2004).

One area in which China has been trying to play a role is its proposal of a 'new security concept'. Official rhetoric in Beijing constantly emphasises 'mutual trust, mutual benefit, equality and coordination' as the principles of practising a new security mode. According to the Chinese interpretation, the gist of a new security concept is to pursue cooperative security. China's preference for cooperative security is perhaps one of necessity. In today's East Asia, there are three primary modes of security arrangements: US hegemony, the traditional balance of power and various loose multilateral security forums. China pushes strongly for cooperative security simply because the first two security modes work against its security interests. Advocating cooperative security serves many Chinese security goals. First, it helps alleviate the China threat. Second, it

conforms to China's interest in maintaining a stable regional environment. Third, it serves as a check to the first two security modes, thus improving China's strategic security position in East Asia. The challenge for the future is for China to come up with concrete proposals to make cooperative security really work in East Asia.

China's security policy and practice in Central Asia are notably different from those in East Asia. China demonstrates much more confidence in dealing with security issues in Central Asia, as shown in the high level of institutionalisation of the SCO and its willingness to embrace preventive measures.

According to Chinese analysts, China's security policy in the SCO is intended as a contrast to US security policy in East Asia, which is underpinned by bilateral alliances and 'forward deployment'. Chinese analysts argue that in the SCO, China and Russia have been working on cooperation and dialogue as the main means for security building and reducing the military presence in border areas (Kuisong 1998). Confidence-building measures have been and appear to continue to be a key area for the SCO, as evidenced in the two treaties regarding border security signed in 1996 and 1997, and the recently signed treaty among SCO member states on good neighbourly relations, friendship and cooperation.

The SCO has, however, gradually taken on the concept of preventive diplomacy. Currently, preventive diplomacy in the SCO is essentially carried out in areas of NTS by a wide range of agencies, including the military. There are, however, signs that the SCO is increasingly moving towards a more substantive practice of preventive diplomacy. The SCO is likely to meaningfully discuss preventive diplomacy in tackling traditional security issues, including dealing with domestic crises. A few recent SCO official documents clearly refer to this possible development.

The 'Declaration on the Fifth Anniversary of Shanghai Cooperation Organisation' mentions that the SCO has the potential to play an independent role in safeguarding stability and security in this region. The document points out that in case of emergencies that threaten regional peace, stability and security, SCO member states will have immediate consultation on responding effectively to fully protect the interests of the SCO and its member states. The paper calls for member states to study the possibility of establishing a regional conflict-prevention mechanism within the SCO framework. The 2007 *Joint Communiqué of the Meeting of the Council of Heads of SCO Member States* proclaims that it is vital to implement preventive measures against the processes and phenomena causing instability in SCO territory. The document calls for the process of creating a mechanism of joint responses to situations threatening peace, stability and security in the region to be expedited. In the recently concluded SCO summit in Dushanbe, the member states once again proclaimed

that the SCO would conduct preventive diplomacy to safeguard peace and security in the region.⁵

A few scholars at various Chinese government-sponsored institutions have conducted studies on the need for and feasibility of some formal preventive diplomacy measures in the SCO. They justify the establishment of such formal mechanisms on the grounds that the SCO will not be able to grow further without preventive diplomacy given the fact that the Euro-Asian region is so complicated in cultural, ethnic and geo-strategic contentions, and because of potential conflicts among those Central Asian states in terms of territorial borders, water and other resources and internal socio-political instability in the smaller members of the SCO. They conclude that all these contentions and internal instability have the potential to not only hamper the further progress of the SCO but to derail the SCO process (Tao 2006).

Conclusion

China's policy towards Asian multilateralism pretty much reflects the overall 'low-profile' foreign policy line that was set by the late leader Deng Xiaoping. Deng, back in the early 1990s, advised that China should not act aggressively as a leader in international politics to avoid too much international attention while it was rising. At the same time, he admonished other leaders that China had to play a role (*'you suo zuo wei'*). Playing a role is particularly important in issues of concern to China and relevant to Chinese interests. Deng's foreign policy line was deeply rooted in pragmatism. Chinese policy on various multilateral processes reflects that pragmatic consideration.

In addition to the perceived attitudes of other major players, part of the reason why China lacks a grand vision of regional multilateralism has to do with the fear that any Chinese effort to lay out a blueprint for regional integration will only invite suspicion on the part of other major powers, further complicating China's strategic position in East Asia and the world. China has not openly or strongly opposed matters that it does not favour. Instead, Beijing has made its reservations known and has worked subtly to reduce the negative impact on its interests. This is clearly the case with regard to the EAS. Chinese officials now recognise that it is unwise for China to openly obstruct the EAS. Instead, they maintain that China could go along with any policy proposal that works to the benefit of all participants.⁶

Emphasising multilateral cooperation on economic and NTS issues is also a clear demonstration of Chinese pragmatism in practice. It helps build a better image of China in the region—a more benign and cooperative China. It helps create a friendlier environment for China's rise in the long run. Economic multilateralism is also necessary for the sustained growth of the Chinese economy. Cooperating on NTS issues is highly desirable simply because all these non-traditional

challenges have transnational roots and impacts. China stands to benefit from all these multilateral mechanisms in dealing with NTS threats.

Beijing's different positions on preventive measures in East and Central Asia also have to do with its pragmatic response to the different regional political and strategic contexts. In East Asia, the strategic rivalry is much higher than other areas; China's position has to be largely defensive. In Central Asia, however, China enjoys much stronger political power and less strategic competition. As long as China can accommodate Russia's core interests, Beijing will find much room to be flexible in embracing preventive measures.

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ENDNOTES

- ¹ The four guidelines include: major powers are the key, neighbouring regions should receive more attention, the developing world is the foundation and multilateralism serves as the stage.
- ² Author's interviews with various Chinese analysts in the past two years.
- ³ Chinese Foreign Ministry spokesman Qin Gang's remarks at a press briefing, 27 May 2008, viewed 3 September 2008, <<http://www.fmprc.gov.cn/chn/xwfw/fyrth/t440969.htm>>
- ⁴ Author's interview with Chinese official, July 2008; Danzhi (2007).
- ⁵ SCO Summit 'Dushanbe Declaration', viewed 5 September 2008, <http://news.xinhuanet.com/world/2008-08/28/content_9731209.htm>
- ⁶ Author's interview with Chinese Foreign Ministry officials, July 2008.