

Chinese Influence in ASEAN and Its Implications for India

TALK BY AMBASSADOR RAJIV SIKRI

ASEAN has enormous importance for People's Republic of China (PRC), majorly because of the fact that four of the ASEAN countries namely Laos, Myanmar, Thailand and Vietnam are direct neighbours of China. There is a long history of cross border links; conflict and suspicion; and shared cultural ethnicities between ASEAN and China. China's relations with some of the ASEAN members are governed by historical mistrust and border disputes both on land and on sea; during the Cold War years, communist movements within some of the to-be ASEAN members were a source of worry for them.

Other security considerations for PRC are that these countries control the Sea Lanes of Communication (SLOC) to and from the Malacca Straits, which are PRC's lifeline in many ways. Since many ASEAN countries are involved with the US in both formal and informal alliances; as a result the Chinese have an interest in preventing the consolidation of these US led groupings. PRC also has maritime disputes with four of the ASEAN countries – Vietnam, Philippines, Malaysia and Brunei relating to the South China Sea. Also, large numbers of people in ASEAN countries are of Chinese-origin, who are widely seen as PRC's agents and possess a disproportionate control of the business of these countries.

PRC realises the significance of ASEAN for oil, gas and timber which will fuel China's economic growth in the coming years. Apart from acting as resource suppliers, these countries are also rice surplus countries, which is the staple diet

of the region. Chinese tactics are intended to ensure that ASEAN does not become hostile to PRC. Recent entrants to the ASEAN have authoritarian regimes, which has been criticised by the Western powers. The important consideration for PRC is the economic potential of ASEAN countries in terms of market size, profitability potential and natural resource provider capacity. Most of the ASEAN members are high growth countries with vast opportunities for trade and business and can further fuel China's economic rise which will increment China's Comprehensive National Power, the main agenda of the Communist Party of China.

Most of the ASEAN members are high growth countries with vast opportunities for trade and business and can further fuel China's economic rise.

PRC has been trying to exert more influence among ASEAN countries by consolidating its control over the new entrants such as Myanmar, Vietnam, Cambodia and Laos which have authoritarian and communist governments. By signing the Treaty of Amity and Cooperation in 2003, China hoped and to a large extent succeeded in overcoming the history of suspicion and mistrust with ASEAN. Given the tremendous economic growth that China has seen over the last three decades, China has used its economic clout to divide ASEAN and thus, has strengthened its hold over this region. China is one of the largest trading partners of ASEAN, with expected US\$500 billion worth of trade and nearly US\$15 billion investments by 2015. Also, China played an important role during the Asian financial crises of 1997 because of which the ASEAN countries feel the need to depend on China and hence their preferred option has been one of a hedging policy.

China's desire to keep ASEAN within its sphere of influence came out clearly in the run up to the formation of the East Asia Summit. Latest developments in the South China Sea have also brought China-ASEAN relations into focus. The standoff between a Philippines warship and a Chinese surveillance vessel, and a Chinese frigate firing shots at Philippines' fishing boats are some of the recent examples. Recently, China set up a new military garrison at Sansha City to establish their claim over the sea. At the moment, China seems to be in a dilemma whether to back off or enter into a confrontationist posture with ASEAN. The former course is more likely when the new leadership comes into power in 2013 in China, as its relationship with ASEAN is too deep and strategic to be jeopardised. China is using its economic clout to somehow break the unity of ASEAN so that it can deal with them bilaterally. It is a critical moment for ASEAN also, as they need to decide how they are going to deal with China. There is an expectation that ASEAN will push for a Code of Conduct before

India needs to leverage its soft power to develop strong relationships with ASEAN countries.

the next ASEAN meeting. All regional mechanisms namely East Asia Summit, Trans-Pacific Partnership Agreement (TPP) and the Regional Comprehensive Economic Partnership are built around ASEAN. If ASEAN were to get divided, then it would become a field of competition for outside powers like India, China, Japan and Korea, which will lead to further destabilisation of the region.

India till 1991 treated the ASEAN region with neglect. The announcement of India's economic liberalisation plans turned the focus of our policy makers towards ASEAN. This is evident from the formulation of Look East Policy under the leadership of Prime Minister PV Narsimha Rao. After the end of Cold War, this area was going to be important for India both for strategic and economic reasons. The economic and strategic importance of ASEAN cannot be overlooked as this region is geographically closer to India than the West and is experiencing a high economic growth rate. The Indian Prime Minister has rightly said that there is no competition between China and India, and that both countries have enough space for growth and cooperation in this region.

After the Asian financial crises and India's nuclear tests, ASEAN started taking us seriously and it was only in 1999-2000 that the relationship took off. Mr. Vajpayee took a bold strategic decision in 2002 when India offered Free Trade Agreement to ASEAN. Then India entered into a comprehensive economic cooperation agreement with Singapore, trade boomed to \$80 billion and people to people ties increased. India needs to leverage its soft power to develop strong relationships with ASEAN countries. India has been supportive of ASEAN on most issues; their initiative for ASEAN integration, connectivity plans, a drug-free ASEAN, Tsunami relief and that fact that we have not backed off on the South China Sea issue reassures ASEAN that India is not a threat but a friend which can balance China in the region.

ASEAN members which can be banked upon for assistance by India include the important members namely Singapore, Vietnam and Thailand. ASEAN too is looking at India to play a greater role as it is the only country in the region which can stand up to China, and can also represent the will and aspirations of the smaller nations in international and regional forums.

The talk was delivered by Ambassador **Rajiv Sikri** at the Manekshaw Centre to the 41st Higher Command Course on August 14, 2012. The report was compiled by Ms Karanpreet Kaur of the Centre for Land Warfare Studies.