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**Factors Shaping Regional Architecture in East Asia**

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- promote peace and cooperation among Cambodians, as well as between Cambodians and others through regional and international dialogues; and
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**Introduction**

The paper aims to discuss the factors shaping regional architecture in East Asia by focusing on the rise of China and US's pivot to Asia, the role of the regional middle powers and European Union (EU) and Cambodian perceptions and responses to the regional dynamic changes. As the regional architecture and order is in the making, Southeast Asian countries are trying to readjust and adapt to the emerging regional power relations and institutional changes. It is normatively believed that through the realization of ASEAN centered regional architecture and institutions peace and development can be maintained and sustained in the region.

**The rise of China**

China is one of the key driving forces in moving the center of global strategic, security and economic gravity from the West to the East. The fast growing comprehensive power of China, especially in terms of economic and military powers, is reshaping and restructuring global and regional power structure. China is challenging, not replacing, the US centric power structure and order created after the end of the Cold War. Such shift and change create a certain level of uncertainty and unpredictability.

China bears more responsibility in ensuring peace and stability in the region through a constructive and wide range of strategic, economic and cultural engagement with neighboring countries especially in Southeast Asia. Strategic transparency and trust is the core of regional cooperation, integration and community building. China-ASEAN comprehensive strategic partnership has been positively implemented and strengthened over the last ten years. At the High-Level Forum on the 10th Anniversary of

China-ASEAN Strategic Partnership held in Bangkok in August 2013, Chinese foreign minister Wang Yi called for deepened and enriched China-ASEAN cooperation and suggested to stick to “Asia Way” and “ASEAN Way” in solving regional disputes and differences of national interests.

As a big country, China is expected to be a role model and be proactive in engaging regional countries in order to maintain peace and stability in the region. In his keynote address at the Shangri-La dialogue in June 2013, Vietnamese Prime Minister Nguyen Tan Dung called for strengthening strategic between nations in the region. He stated:

Each state should always be a *responsible stakeholder* in the pursuit of common peace and security. Countries...must build their relations on the basis of equality and mutual respect and, at a higher level, on mutual strategic trust. Big states have a greater role to play and can contribute more, but they should also shoulder bigger responsibilities in the cultivation and consolidation of such strategic trust.<sup>1</sup>

At the 19th ASEAN-China Seniors Officials’ Consultation meeting, the newly appointed Foreign Minister, Wang Yi, reaffirmed Chinese peaceful position and foreign policy towards the region. He stated:

To realize the great renewal of the Chinese nation is a deeply cherished dream of the Chinese people since modern times. We call it the Chinese Dream, which aims to bring prosperity to China, renewal to the Chinese nation and happiness to the Chinese people. To achieve the two goals of the century and the Chinese Dream, China needs a peaceful and stable neighboring environment. The Chinese government

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<sup>1</sup> Nguyen Tan Dung, Building strategic trust for peace, cooperation and prosperity in the Asia-Pacific region. Shangri-La Dialogue 2013.  
<http://www.iiss.org/en/events/shangri-la%20dialogue/archive/shangri-la-dialogue-2013-c890/opening-remarks-and-keynote-address-2f46/keynote-address-d176>, accessed July 1, 2013.

and the new team of leadership have put growing China's relations with ASEAN and other neighbors high on their agenda. China will strengthen, and definitely not weaken its good-neighborliness policy. ASEAN should rest fully assured about China's resolve to pursue peaceful development and its political commitment to growing its relations with ASEAN.<sup>2</sup>

The key challenge for China-ASEAN relations, however, relates to the territorial disputes and increasing tensions in the South China Sea. The increasing nationalism in the concerned countries, together with defence modernization and the lack of strategic transparency can lead to potential strategic mistrust and miscalculation. It is therefore necessary for regional countries to promote strategic transparency, manage nationalism, and limit defence modernization to a certain level.

The increasing tension in the South China Sea and Chinese threat perception in some corners of the Southeast Asian region is breeding strategic distrust and potentially it can derail the hard earned and well-established good relationships between China and its Southeast Asian neighbors. Without effectively addressing those challenges, China may lose certain strategic advantages to other major powers in establishing and enlarging strategic and economic space in the region. Being aware of such challenge, China has softened its position in the South China Sea by agreeing to the start of official negotiation with ASEAN as a group on the Code of Conduct on the South China Sea in 2013 and actively engaged with ASEAN member states to contain and manage the tensions in the South China Sea.

China needs to do much more to convince its neighbors about its true intentions and approaches towards to region through concrete steps of action. Trust can be earned through frank and frequent dialogues. In the mid 1990s and early 2000s, China was successful in launching its charm offensive through economic

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<sup>2</sup>Remarks by Foreign Minister Wang Yi at Meeting with Senior Officials and Ambassadors of ASEAN Countries, 2 April 2013, <http://www.fmprc.gov.cn/eng/zxxx/t103257.shtml>, accessed on July 12, 2013.

means and diplomacy. However, since the late 2000s, due to the increasing tensions in the South China Sea and the US's rebalancing strategy, China somehow failed to maintain trust and confidence with some countries in the region. It is therefore necessary for China to re-adjust its regional policy in order to adapt to new developments and changes.

China has a natural role to play in constructing regional order. Peace, cooperation and development are regional trend and common vision of all countries. However, it needs to be earned with leadership, stakeholdership and participation. The ideal scenario for the regional order would be for China to project its regional and global power based on soft power-economic and cultural strengths, rather than through hard power-military power. Otherwise, the region may face a cycle of rapid defence modernization and armed races.

### **US's pivot to Asia**

The increasing geopolitical and strategic significance of East Asia and the rise of China are the pushing factors of the US's rebalancing towards Asia. The rebalancing efforts cover the whole spectrum of diplomatic, economic, and military areas. However, so far, military and security engagement seems to be the most active comparing other issues.

While Southeast Asian countries are comfortable and welcoming the active re-engagement of the US in regional affairs, China remains highly suspicious and feels insecure. There is a pervasive perception in China from both the government and think tank institutions that the US's pivot to Asia aims to contain the rise of China and maintain the US's hegemonic role in the region.

In the military dimension, the US is strengthening its security alliances with regional countries such as Japan, South Korea, Australia, the Philippines, Singapore, and Thailand. The US also explores opportunity to build closer security relations with Indonesia, Vietnam, and Malaysia. It is in the middle of shifting its

military forces to the Asia Pacific region. By 2020, sixty percent of the total US military forces will be located and operated in Asia. Moreover, the US's normative intervention in the disputes between China and other regional countries in both the South and East China Seas add more contentious issues in building strategic trust between the two countries.

Economically, the US is pushing forward the realization of the Trans-Pacific Partnership (TPP), which currently does not include China in the negotiating bloc, further creates suspicion of US's containment strategy against China. While some member states of the ASEAN have entered the TPP negotiation process, majority of regional countries prioritize the negotiation on the Regional Comprehensive Economic Partnership (RCEP) proposed by ASEAN in 2012. Both the TPP and RCEP can compliment each other in so many ways since it both aims to liberalize trade and investment flows in the region.

#### **China-US relations and regional order**

It is widely argued that a healthy and stable bilateral relationship between China and the United States is the foundation of peace and stability in a changing strategic and political dynamics of the Asia-Pacific region. Regional order requires full participation from both countries together with other middle power countries and regional mechanisms and institutions centering on ASEAN. In his remarks at the Shangri-La dialogue in 2013, US Defence Secretary Chuck Hegel reasserted that:

Building a positive and constructive relationship with China is also an essential part of America's rebalance to Asia. The United States welcomes and supports a prosperous and successful China that contributes to regional and global problem solving. To this end, the United States has consistently supported a role for China in regional and global economic and security institutions, such as the G20... While the U.S. and China will have our differences – on human rights, Syria, and regional security issues in Asia – the

key is for these differences to be addressed on the basis of a continuous and respectful dialogue. It also requires building trust and reducing the risk of miscalculation, particularly between our militaries.<sup>3</sup>

At the China-US summit in June 2013, Chinese President Xi Jinping proposed to his counterpart, President Barack Obama, to jointly develop a new type of power relationship between the two major powers. China reiterated its position to build closer relations with the US in order to avoid confrontation and work towards win-win cooperation. First, it needs to elevate the level of dialogue and mutual trust and institutionalize the meetings between leaders of the two nations at multilateral venues. Secondly, it is necessary to open a new horizon for pragmatic cooperation including hi-tech exports and balanced trade relations. Thirdly, it calls for a close cooperation and coordination in managing international issues such as Korean Peninsula, Afghanistan and other global hotspot issues, and work more closely on issues such as crackdown on piracy and transnational crimes, peacekeeping tasks, disaster relief, cyber security, climate change and space security. Finally, it demands a new type of military relations in accordance with the new type of inter-power ties.<sup>4</sup>

At the 20<sup>th</sup> ASEAN Regional Forum chaired by Brunei in July 2013, China and US have slightly different approaches in moving forward regional security cooperation and architecture. China emphasizes on a new security concept, which focuses on non-traditional security cooperation, security trust and confidence building, and peaceful solution to regional conflicts. On the other hand, the US emphasizes more on strengthening regional security institutions, implementing preventive diplomacy, and interoperability of cooperation. Secretary of State, John Kerry, stated at the Forum that:

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<sup>3</sup> Chuck Hagel, Secretary of Defence, The US approach to regional security, Shangri-La Dialogue, 2013, <http://www.iiss.org/en/events/shangri-la-dialogue/archive/shangri-la-dialogue-2013-c890/first-plenary-session-ee9e/chuck-hagel-862d>, accessed July 20, 13.

<sup>4</sup> Xinhua News, 8 June 2013, [http://news.xinhuanet.com/english/china/2013-06/09/c\\_132444094.htm](http://news.xinhuanet.com/english/china/2013-06/09/c_132444094.htm), accessed June 15, 2013.



Advancing ARF from a forum for confidence building to a body capable of preventive diplomacy is the United States' highest priority for ARF. For this reason, the United States is collaborating with New Zealand, Brunei, and China to develop training in the region on preventive diplomacy. This effort will help establish a foundation for ARF's progression toward a conflict resolution capability as envisioned in its founding document.<sup>5</sup>

Within the context of power competition and accommodation between China and the US, ASEAN has a significant role to play in building mutual strategic trust between the two countries and sustaining inclusive space and open platforms for all regional actors and stakeholders to constructively discuss regional issues and collectively maintain regional order and stability. Without a strong and relevant ASEAN, the region may potentially face with regional instability.

#### **ASEAN and regional institutions**

ASEAN, a group of small and middle sized countries, is the most successful regional institution in Asia. Created in 1967, ASEAN has played significant role in promoting regional peace, stability and development. It aims to realize an integrated and connected regional community by 2015 under three pillars- political security, economic, and socio-cultural community. ASEAN has established multi-layered regional institutions in order to promote mutual trust, understanding and cooperation based on which regional strategic equilibrium and shared prosperity can be created.

ASEAN has evolved to be the driving force of an extended regional cooperation and community building

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<sup>5</sup> US Department of State, U.S. Engagement in the 2013 ASEAN Regional Forum, <http://www.state.gov/r/pa/prs/ps/2013/07/211467.htm>, accessed July 20, 13, 2013.

in East Asia. ASEAN initiated the establishment of the ASEAN Regional Forum (ARF) in 1994 to promote security dialogue and cooperation, East Asia Summit (EAS) in 2005 to discuss wide range of strategic, security and economic issues between ASEAN and its dialogue partners, the ASEAN Defence Ministers Meeting Plus (ADMM Plus) in 2010 to promote practical cooperation among the defence institutions and the armed forces between ASEAN and eight dialogue partners, and the Regional Comprehensive Economic Partnership (RCEP) in 2012.

However, the regional integration process still faces the issues of unity, centrality, and common identity, and development gap between the member states. At the 46<sup>th</sup> ASEAN Foreign Ministers Meeting (AMM) in Brunei in July 2013, the foreign ministers reiterate the necessity of strengthening the central role of ASEAN. The joint statement reads:

In responding to the evolving geopolitical landscape, we emphasized the importance of reviewing ASEAN's processes and institutions in order to safeguard ASEAN centrality in the evolving regional architecture while enhancing its resilience in overcoming challenges and seizing opportunities.

To realize an integrated and inclusive community, ASEAN needs financial, technical, and political support from all dialogue partners and international institutions. The perceived strategic competition between China and the US in the region is threatening the central role of ASEAN and put regional community building effort at risk. ASEAN demands both the strategic insurance from the US and strategic trust and confidence from China.

### **The role of the European Union**

The European Union (EU) is the source of inspiration and model for Asian regional cooperation and

integration. Institutional building, norms and rules based regional cooperation, and community-building processes in Europe provide relevant lessons and motivations for other regional institutions to learn from. Open and inclusive regionalism is believed to contribute to build peace and development, also the reason the EU was awarded the Nobel Peace Prize in 2012 for its role in maintaining peace and stability in Europe since World War II.

However, harmonizing national interests with regional integration remains a key challenge. The slow and far from effective role of EU in solving regional crisis stemming from sovereign debt crisis in some of its member states challenge the existence and cooperation within the group. Nationalism, driven by certain national political groups, is rising against regionalism. It is however a test for the EU in maintaining its relevant and resilient role in delivering a win-win and inclusive regional integration in which every member state can reap equal benefits from the regional integration process.

Moreover, the Eurozone crisis has impacted on the global shift of power and in particular the perception of the role of the EU especially in Asia. The Asian perceptions towards to the future role of EU in Asia are very low comparing with their perceptions towards to the future role of US and China in the region. For instance, the recent survey on Singaporean perceptions of the EU's role in Asia showed that in the eyes of some stakeholders and the general public, EU does not have significant role to play in Asia especially in terms of security and economic issues. They generally perceive EU as a soft power.<sup>6</sup>

However, as regional order in East Asian region is in the making, there is significant strategic space for EU to maneuver. By all means and measurements, EU is not perceived as a potential threat to East Asia. Generally, East Asian countries welcome the role of EU in the region. It therefore depends on EU's actual

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<sup>6</sup> EU Center in Singapore, Public, media and opinion leader perceptions of the EU in Singapore 2011-2012.  
<http://www.asef.org/images/docs/Perceptions%20of%20the%20EU%20in%20Singapore.pdf>,  
accessed on July 12, 2013.

capacity, commitment and political willingness to engage East Asia. By being a close and reliable partner of East Asia, EU can comprehensively benefit from the economic dynamics of the region and strengthen EU's position and leverage on a global stage in addressing global issues.

We all face the same threats. Today I am here to reinforce our deep commitment to promoting global security and prosperity, not as an Asian power, but an Asian partner. We already have a partnership but I believe that we can do much more to deepen our cooperation even further... Our commitment to security and stability in Asia is for the long term. We will continue to be an active and constructive member of the ASEAN Regional Forum (ARF). Last year we signed the Treaty of Amity and Cooperation (TAC). We are now looking forward to the prospect of joining the East Asia Summit... in a world where we face multiple and continually evolving security threats, building strong partnerships between like-minded regions has never been more important. The EU is a true Asian partner – our interest is not in projecting power but in empowering. The EU's unique comprehensive approach also makes us a highly effective partner.<sup>7</sup>

### **The role of middle powers**

Global and regional issues require cooperation and coordinated efforts of all states. Power diffusion is occurring at the global scale. No single country can address the increasingly connected and complicated global issues. The world is becoming a non-polar world in which big, middle and small countries need to act together. The middle powers, especially, are becoming more proactive in collectively solving global issues. It is argued that:

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<sup>7</sup> Catherine Ashton, "Defending national interests, preventing conflict", Shangri-La Dialogue, Singapore, 1 June 2013. [http://www.consilium.europa.eu/uedocs/cms\\_Data/docs/pressdata/EN/foraff/137368.pdf](http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/137368.pdf)

Middle powers are medium-size states with the capability and willingness to employ proactive diplomacy with global visions. Their policies fulfill their respective interests but also benefit the world. Middle powers promote new visions and creative ideas that are acceptable to both their domestic constituencies and other states. They are also willing to make the necessary contributions to materialize such visions.<sup>8</sup>

As the region becomes more integrated and interconnected, all states have their own stakes in developing and strengthening regional institutions and mechanisms to server their respective national interests. The increasing role of the middle powers such as Australia, India, Japan and South Korea in shaping regional economic and security architecture in East Asia contributes to the creation of a dynamic and comprehensive strategic equilibrium and economic connectivity in the region. The middle powers

### **Cambodian approaches to the regional dynamics**

Cambodia being a small and poor state in the region has no choice but to stay neutral and build friendship with all countries. After gaining peace in early 1990s, Cambodia has been striving to pursue independent and neutral foreign policy and emphasize on ASEAN community building as the cornerstone backing up its foreign policy. After becoming a full member of the ASEAN family in 1999, Cambodia has embarked on domestic reforms in order to comply with ASEAN principles and policies. ASEAN integration and community building is regarded as the core foreign policy of Cambodia. However, ASEAN needs to assist the new member states in catching up with the old ones through both financial and technical support.

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<sup>8</sup>Kim Sung-han, Global governance and midlle powers: South Korea's role in the G20.  
<http://www.cfr.org/south-korea/global-governance-middle-powers-south-koreas-role-g20/p30062>

Principally, according to the constitution, Cambodia pursues a foreign policy of non-alliance, neutrality, independence, peaceful co-existence and international cooperation. However, practically, Cambodian regional policy is being shaped by a plethora of forces and elements including different priorities of various political parties and interest groups, neighboring countries, international donor community, the relevance of ASEAN and the dialogue partners, Chinese factor, and China-US bilateral relations.

The growing dependence on China for the sources of economic development has challenged the neutrality of Cambodia especially when strategic competition between China and US and the tensions in the South China Sea loom large. Cambodia is facing huge challenges in balancing its approaches towards these two major powers. It is observed that Cambodia tends toward China in terms of coping with South China Sea disputes. The failure of the Cambodian chair in issuing the joint statement of the 45<sup>th</sup> ASEAN Foreign Ministers meeting in July in 2012 put Cambodia in an awkward position in the ASEAN family. Nevertheless, it was just a diplomatic not a strategic crisis. It was mainly due to the lack of consultation and mutual understanding. For the long-term development of ASEAN, it needs to improve democratic institutions and people's participation at both the national and regional levels and narrow the development gap between its member states.

As far as regional security architecture is concerned, Cambodia emphasizes on strengthening capacity and centrality of ASEAN, improving regional institutions with concrete action plans and results, and inviting more active role and engagement from the dialogue partners of ASEAN. In his opening statement at the 21<sup>st</sup> ASEAN Summit in 2012, Cambodian Prime Minister Hun Sen stated:

ASEAN has to further strengthen its capacity and role in the discussions and cooperation mechanisms with ASEAN Dialogue Partners to address issues related to

regional peace and security...We should continue to work together to maintain ASEAN centrality in the regional architecture and further strengthen cooperation with our partners at all levels, especially through the ASEAN plus One and ASEAN plus Three frameworks based on concrete strategies and action plans on economic cooperation including trade. We should also be more active in providing recommendations and undertaking measures to enhance the operational efficiency of ASEAN-led regional cooperation frameworks to respond to the global challenges, including security, terrorism, transnational crime, natural disasters, climate change, and maritime security and safety.<sup>9</sup>

## **Conclusion**

Different yet interconnected factors and actors are shaping regional architecture and order in East Asia. The rise of China and the US's rebalancing towards Asia are the two most important factors influencing regional order and stability. ASEAN, as the most important regional institutions and inspired by the EU, has effectively coped with the new challenges through the promotion of communication and dialogues between the concerned parties and stakeholders. Moreover, the rising role of the middle powers in the region positively contributes to regional peace, stability and development through strengthening regional institutions.

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<sup>9</sup> Prime Minister Hun Sen, Opening Statement at the 21st ASEAN Summit, 18 November 2012, Phnom Penh, Cambodia