

**The Chinese Vision of a 'Harmonious World' and East Asian
Regionalism**

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Abstract

Since 2005, Beijing has undertaken a concerted effort to articulate and promote the concept of ‘building a harmonious world’ as a core tenet of its foreign policy. This paper examines the key features of the concept and its likely impact on the shape and direction of the development of East Asian regionalism. It argues that instead of a merely propagandistic effort, the new motto reflects the formation and expression of a Chinese vision of international and regional order at a time when the country’s power and influence are growing strongly. Moreover, the Chinese vision of a ‘harmonious’ international and regional community represents a different understanding of and approach to regional integration and community-building from that associated with the development of the European Union. While the substance of the concept of a harmonious world is still developing, Beijing’s recent active and successful engagement with its neighboring countries and regional multilateral institutions demonstrates its increasing intentions and ability to influence both the normative and institutional structure of emerging regional architectures.

Keywords: China, East Asian Regionalism, harmonious world

Over the last decade, East Asian countries have displayed an unprecedented interest and enthusiasm in promoting regional integration and development. Within the region, creating a ‘Community’ of nations that resembles the European Community has become not only a central theme in the academic discourse of regionalism, but also an increasingly accepted and indeed openly declared goal of many national governments.¹ Despite deeply entrenched sensitivity to the issue of national sovereignty, there is now a generally accepted perception among political leaders that regionally-based security structures and trade arrangements will be indispensable in promoting development, preventing and solving conflicts, and building regional peace and stability. The newly inaugurated annual East Asia Summit (EAS) represents the latest initiative in building an East Asian community for peace and shared prosperity.²

Scholarly responses to the recent development of regionalism in East Asia have been mixed, however. Some observers believe that the recent regional activism, driven by unprecedented economic interdependence, gradual socialization of shared norms and identity, and establishment of confidence-building and to a lesser extent conflict-resolving regional governance mechanisms, would lay the foundations for regional peace

¹ There is a growing body of literature on the development of East Asian regionalism, see Melissa G. Curley and Nicholas Thomas, eds., *Advancing East Asian Regionalism* (London: Routledge, 2007); Mark Beeson, *Regionalism and Globalization in East Asia: Politics, Security and Economic Development* (Houndmills: Palgrave Macmillan, 2007); Christopher M. Dent, *East Asian Regionalism* (London: Routledge, 2008).

² The EAS is an annual meeting attended by the leaders of sixteen countries including the ten members of the Association of Southeast Asian Nations (ASEAN), Japan, China, South Korea, India, Australia and New Zealand. Three meetings of the EAS have been held thus far. The first was on 14 December, 2005 in Kuala Lumpur, Malaysia. The second was in Cebu, The Philippines on 15 January, 2007. The third was in Singapore on 21 November, 2007.

and stability.³ Some others are more skeptical if not entirely dismissive of the credibility and prospects of the current regional multilateral institutions in solving the issues and challenges facing the region. Pointing to historically-rooted feuds, rising nationalism, slow institutionalization of regional political and security cooperation process, they see many of regional multilateral initiatives as just ‘making process’ but ‘not progress’.⁴ There are still others who question the applicability of theories and concepts derived from European experiences for interpreting and predicting state behaviour in a culturally and historically different Asia, advocating an Asian approach to the region’s problems.⁵ To some of them, recent development of East Asian regionalism may represent new ways of regional integration based on indigenous East Asian norms.⁶

It is in this context that China’s recent enthusiasm and interest in the development of East Asian regionalism and its attempts to advocate a ‘harmonious’ regional community are particularly noteworthy. Since the late 1990s, China has become one of the driving forces behind regional integration and community-building through its active participation in regional multilateral organizations, the expansion of economic and trade ties with regional countries and growing political engagement. More significantly, from 2005, Beijing has actively advocated ‘a harmonious world’ as its preferred world order. Indeed, the notion of a ‘harmony world’ has quickly become the defining concept in China’s

³ Amitav Acharya, ‘Will Asia’s Past Be Its Future?’, *International Security* 28, no. 3 (2003/04), pp. 149-64; Mark Beeson, ‘Rethinking Regionalism: Europe and East Asian in Comparative Historical Perspective’, *Journal of European Public Policy* 12, no. 6 (2005), pp. 969-85.

⁴ David Martin Jones and Michael L.R. Smith, ‘Making Process, Not Progress: ASEAN and the Evolving East Asian Regional Order’, *International Security* 32, no. 1 (Summer 2007), pp. 148-84.

⁵ David Kang, ‘Getting Asia Wrong: The Need for New Analytical Frameworks,’ *International Security*, Vol. 27, No. 4 (2003): 57-85. Mark Beeson, ‘American Hegemony and Regionalism: the Rise of East Asia and the End of the Asia-Pacific’, *Geopolitics* 1, no. 4 (2006), pp. 541-60.

overall foreign policy outlook. Subsequently, Chinese leaders and prominent strategic thinkers have actively promoted the ideas of building of ‘a harmonious regional community’ as a preferred model of regional cooperation and community-building.⁷

This paper examines the key features of the Chinese concept of ‘a harmonious world’ and its likely impact on the shape and direction of the future development of East Asian regionalism. It argues that the Chinese vision of a ‘harmonious’ international and regional community represents a different understanding of and approach to regional integration and community-building from that associated with the development of the European Union. In particular, for a ‘harmonious world’ to succeed, multilateral institutions are to be developed, but in a way in which the national sovereignty and identity of individual countries should be respected rather than weakened. Moreover, political diversity of national governments instead of any universal political values would be the basis for regional cooperation and institution-building. While the substance of the Chinese concept of a harmonious world/regional order is still developing, Beijing’s recent active and successful engagement with the region demonstrates its growing intentions and ability to influence over both the normative and institutional structure of emerging regional architectures.

This paper firstly analyzes how the concept of a ‘harmonious world’ has been articulated and understood by Chinese intellectuals and policy-makers. It then examines the recent

⁶ Beeson, ‘American Hegemony and Regionalism’.

⁷ Zhou Shengping and Tian Zhaoqing, ‘Jianshe hexie shijie: zhongguo waijiao sixiang de xin fazhan’ (Building A ‘Harmonious World’: New Development in China’s Foreign Policy Approach). *BanYueTan* (China Comment), no. 16 (2006).

changes in China's approaches to regional security cooperation, economic integration and community building, highlighting the increasingly active role of Beijing in regional multilateral institutions. Finally, some observations are made about the implications of China's new thinking of world and regional order for the future development of East Asian regionalism.

'Harmonious world' as a Chinese vision of world and regional order

Since mid-2005, China has undertaken a concerted effort to articulate and promote the concept of 'harmony' in its foreign policy approach. The concept, which is derived from the teachings of ancient Confucian classics, was originally advocated by the government in 2004 as a domestic policy response to growing social discontent in the context of China's rapid economic growth and restructuring. Since then, in domestic media, government leaders' speeches and policy documents, 'building a harmonious society' has been claimed as not only a key precondition for China's realization of its strategic goal of building a 'moderately well-off' (*Xiaokang*) society by 2020 but also as a defining feature of such a society.⁸

Significantly, the concept of 'harmony' has more recently been promoted externally by Chinese leaders in their foreign policy statements and articulation of a Chinese vision of international order. Speaking at the United Nations World Summit on September 15th 2005, China's President Hu Jintao floated the idea of 'building a harmonious world'

⁸ Hu Jintao, 'Zai Sheng bu ji zhuyao lingdao ganbu tigao goujian shehuizhuyi hexie shehui nengli zhuanti yantaoban shang de jianghua' (Speech at the Special Workshop of Provincial and Ministerial Leaders on

where countries with different values, cultures and political systems co-exist in peace.⁹ Such a world, which, according to Hu, would be based on multilateralism, mutually beneficial economic cooperation and respect for political and cultural difference, would ensure lasting peace and prosperity. Hu subsequently advocated the idea in the Summit of the Asia-Pacific Economic Cooperation (APEC) forum in Busan in November 2005, during his visits to Seoul and Hanoi in late 2005 and to Washington and Saudi Arabia in early 2006. Visiting France in late 2005, Chinese Premier Wen Jiabao also made the idea of ‘building a harmonious world’ the central theme of his speech at the Ecole Polytechnique in Paris.¹⁰ In December 2005 the Chinese government released a white paper entitled ‘China’s Peaceful Development Road’ in which ‘building a harmonious world’ was declared as ‘*the* lofty goal of China’ (Emphasis added).¹¹

The new vigour displayed in the rhetoric of ‘harmonious world’ represents in part the latest effort by Beijing to assuage outside concerns of the uncertain impacts of China’s rising influence in international and regional affairs. Over the last decade, Beijing has made concerted efforts to project a more co-operative and less threatening China that seeks to engage more deeply with the international and regional community through its ‘new security concept’ in the 1990s and more recently the notion of ‘peaceful rise’. The current motto of a ‘harmonious world’, however, also reflects a discomfort with the current unipolar world order dominated by a perceived increasingly hegemonic United

Improving Capability to Build Socialist Harmonious Society), 19 February, 2005
<[Http://news.xinhuanet.com/newscenter/2005-06/26/content_3138887.htm](http://news.xinhuanet.com/newscenter/2005-06/26/content_3138887.htm)>.

⁹ Hu Jintao, ‘Build Towards a Harmonious World of Lasting Peace and Common Prosperity’, 15 September, 2005 <[Http://www.fmprc.gov.cn/ce/ceun/eng/zt/shnh60/t212915.htm](http://www.fmprc.gov.cn/ce/ceun/eng/zt/shnh60/t212915.htm)>.

¹⁰ Xinhua News Agency, ‘Wen Delivers Speech at Ecole Polytechnique’, 7 December, 2005
<http://english.gov.cn/2005-12/07/content_119569.htm>.

States which tends to impose its values upon the world often by acting unilaterally and through military means.

While outside observers might dismiss a ‘harmonious world’ as just another propagandistic effort by Beijing with little substance behind it, Chinese academics take the idea seriously. Unlike ‘peaceful rise’ which caused considerable controversy and internal debate, the idea of a ‘harmonious world’ is embraced by almost all of China’s academic and policy community. Indeed, to many Chinese scholars the concept offers a much needed and timely (if not overdue) Chinese vision of world order as the country’s material power and influence expands.¹² To this end, the concept was perceived not only as a declaration of China’s peaceful intentions regarding its behaviour in international affairs but also as a preferred model of international order based on deeply rooted Chinese cultural norms and values. The term quickly becomes a main theme of various foreign policy forum and academic meetings in China. In a conference on ‘harmonious world’ jointly organized by China Association of International Studies and a number of other institutions in April 2006, Wu Jianmin, the President of China’s Foreign Affairs University, called the idea of ‘harmonious world’ a ‘Chinese dream’, stating ‘The Chinese Dream belongs to both China and the world and that is to build a harmonious world in which China shares its development and opportunities with the whole world’.¹³

¹¹ *China’s Peaceful Development Road* (Beijing: Information Office of the State Council, 22 December, 2005), 17pp.

¹² Wang Yiwei, “‘hexie shijie” guan gaibian guoji guanxi shijiao’ (‘The Concept of “Harmonious World” Changes Perceptions of International Politics). *Huanqiu shibao* (Global Times), 2 December, 2005, p. 11; Zhou and Tian, ‘Jianshe hexie shijie: zhongguo waijiao sixiang de xin fazhan’.

¹³ *People’s Daily Online*, ‘China has a Dream...and Shares It With World’, 3 April, 2006 <http://english.peopledaily.com.cn/200604/03/print20060403_255466.html>.

The heightened popularity of the ancient idea of ‘harmony’ in Chinese foreign policy rhetoric should come as no surprise to observers who follow closely Beijing’s discourse on international relations. Indeed, the concept of ‘harmony’ entered into academic debate of international order and China’s role in it in the early 1990s.¹⁴ According to one study, between 1994 and 2002 there have been more than 400 articles published on the topic in Chinese academic journals, spanning a range of disciplines including history, philosophy, politics and international relations. Remarkably, a significant number of the authors are from government research institutes, the military, and Party schools with influence in the policy-making process.¹⁵ Thus it is not surprising that since 2005 a further 420 academic journal articles have been published on the theme of ‘Harmonious World’.¹⁶ The phenomenon reflects the fact that with China’s sustained economic growth and growing diplomatic influence come a growing confidence in Chinese cultural values and norms and a growing interest in exercising normative influences commensurate with its increasing power status.¹⁷ As Zheng Bijian, the President of China’s Reform and Opening-Up Forum who has played a prominent role in the discourse of ‘peaceful rise’ and ‘harmonious world’, puts it, ‘The history of civilization has taught us that a truly great nation must be highly civilized and guided by a great culture’.¹⁸ Moreover, to many Chinese intellectuals, the ancient Chinese ideal of ‘harmony’ represents not just an idealist vision of world order but also a practical solution to the problems facing the current world. To them, ‘the concept of a ‘harmonious world’ has overcome the

¹⁴ William A. Callahan, ‘Remembering the Future – Utopia, Empire, and Harmony in 21st Century International Theory,’ *European Journal of International Relations* 10, no. 4 (2004): 569-601.

¹⁵ *Ibid.*, p. 575.

¹⁶ The figure is derived by the author through a key-word search in Zhongguo qikanwang (China Journal Web)-an online full text database which collects more than 8,200 Chinese journals.

¹⁷ Callahan ‘Remembering the Future’.

narrowness of ‘the democratic peace’ theory and the paranoia of the ‘clash of civilization’ thesis, and points out a clear direction for the international relations in the 21st century’.¹⁹

What, then, are the key elements of a ‘harmonious world’? Ironically, despite considerable attention paid to the idea in China, the concept remains ill-defined. This is understandable given that the ancient Chinese concept of ‘harmony’ was characterised by ambiguity and flexible interpretation. Although ‘harmony’ was widely regarded in China as the defining feature of Chinese culture and traditional Chinese philosophical thinking, it lacks conceptual clarity and systematic theorization. The original texts containing the concept have been scattered in various Chinese philosophical classics which often belong to different schools of thought such as Daoism, Confucianism and Buddhism, and have often been employed to convey various messages in different contexts. Depending on their purpose, different authors quoted different Chinese classical texts to explain the various aspects of the concept. Indeed in a recent discussion on the idea of ‘harmonious world’, one Chinese scholar acknowledges that the concept of ‘harmony’ has different specific meaning in different historical stages.²⁰ Hence the meaning of ‘harmony’ is very much dependent on the interpretations of its contemporary advocates.

In the current discourse of ‘harmonious world’, two Confucian terms have been quoted widely to express the essence of the concept. The first is ‘*he wei gui*’ (harmony is most

¹⁸ *People’s Daily Online*, ‘China’s Peaceful Rise and A Dream of Revitalisation’, 17 June, 2006 <http://english.people.com.cn/200606/17/print20060617_275004.html>.

¹⁹ Wang, ‘hexie shijie’ guan gaibian guoji guanxi shijiao’.

²⁰ Lu Hong, ‘Gong jian hexie shijie’ (Building a ‘Harmonious World’ Together), *People’s Daily*, 11 May, 2005, p. 3.

valuable). The second is '*he er bu tong*' (harmony without sameness).²¹ The first term has been used to articulate 'harmony' as both the normative value as well as ultimate goal of China's foreign policy outlook. It does not explain what 'harmony' means, however. It is therefore the second term that is more important, being central to the contemporary interpretation of a 'harmonious world'. For example, Chinese scholars often quote Confucius' famous dictum of 'a gentleman seeks harmony but not conformity, A vulgar man seeks conformity but not harmony' (*jun zi he er bu tong, xiao ren tong er bu he*).²² In this interpretation, central to a contemporary 'harmonious world' order is the harmonious co-existence of different cultures, political systems and values, whereas 'sameness' (*tong*) is perceived as leading to 'disharmony'.

At an official level, such an interpretation of a desired harmonious world order was explicitly expressed by China's then President Jiang Zemin in a speech during his visit to the United States in 2002. Referring to the Confucius term '*he er bu tong*', Jiang stated:

Confucius said more than two thousand years ago, 'In human relationships, a gentleman seeks harmony but not uniformity.' That is to say, harmony but not sameness; reserving differences without coming into conflict. Harmony promotes co-existence and co-prosperity; whereas differences foster mutual complementation and mutual support. Harmony without sameness is an important principle in the development of all social affairs and relationships and in guiding people's conduct

²¹ Wang, 'hexie shijie' guan gaibian guoji guanxi shijiao'; Zhou and Tian, 'Jianshe hexie shijie: zhongguo waijiao sixiang de xin fazhan'.

²² *The Analects of Confucius* (translation and notes by Simon Leys), (New York: W.W. Norton, 1997), p. 122.

and behavior. Indeed, it is the essential factor of the harmonious development of all civilizations.²³

In his UN speech in September 2005, President Hu reinforced this view, arguing that ‘Diversity of civilizations is a basic feature of humanity and an important driving force behind human progress...Uniformity, if imposed on them [the different civilizations], can only take away their vitality and cause them to become rigid and decline’. Therefore, in a harmonious world, ‘every country’s right to independently choose its own social system and path of development’ as well as their different cultures should be respected.²⁴

National sovereignty and independence have been a central element of Chinese foreign policy since 1949, however. To this end, the idea of a harmonious world is not entirely new. The notions of ‘peaceful co-existence’ advocated in the 1950s-60s and the more recent ‘new security concept’ of the 1990s all emphasized the unquestioned value of sovereignty, for example. Thus despite its Confucian cloth, the concept of harmonious world still reflects an essentially Westphalian notion of international relations.

What is new in the notion of a harmonious world is the unprecedented emphasis on multilateral cooperation. In his UN speech, Hu listed four ways to build a harmonious world. The first and foremost is to ‘uphold multilateralism to realise common security’. The other three approaches include promoting mutually beneficial economic cooperation,

²³ Jiang Zemin, ‘Speech by President Jiang Zemin At George Bush Presidential Library’, 24 October 2002 <<http://www.fmprc.gov.cn/eng/topics/3719/3721/t19082.htm>>. Also see Callahan ‘Remembering the Future’, pp. 588-9.

²⁴ Hu, ‘Build Towards a Harmonious World’.

respect for cultural, social and political diversity, and to maintain United Nations' authority and efficacy.²⁵ To this end, while national sovereignty and identity is to be enhanced, a harmonious world also recognises growing interdependence and cooperation among nation-states.

Given the importance placed by China on good regional relations in its overall foreign policy, it is not surprising that the concept of 'harmony' has been employed by Chinese leaders to reinforce their views on regional integration and cooperation in Asia. Speaking at the second summit of the Conference on Interaction and Confidence-Building Measures in Asia (CICA) held in Almaty, Kazakhstan on 17 June 2006, President Hu called for the 'building of a harmonious Asia'. Pointing to the rich cultural heritage of Asian countries he called on different nations to 'respect the diversity of human civilizations and encourage their mutual exchanges and mutual enrichment'.²⁶ He further stated that 'Asia is crucial for China's development', and that 'China pursues a foreign policy of fostering a harmonious, secure and prosperous neighbourly environment'. The previous month, Hu also advocated a vision of 'harmonious region' in his speech at the sixth Summit of the Shanghai Cooperation Organisation (SCO) held in Shanghai. In September 2006, Chinese Vice-Premier Wu Yi expressed China's firm commitments to construct a 'harmonious and prosperous Northeast Asia' in her address to the second Northeast Asian Economic Cooperation Forum held in Jilin province.²⁷

²⁵ *Ibid.*

²⁶ *China Daily*, 'President Hu Calls For Harmonious Asia,' 17 June, 2006
<http://www.chinadaily.com.cn/china/2006-06/17/content_619277.htm>.

²⁷ Wu Yi, 'Zhongguo yuan yu geguo gongtong goujian fangrong he hexie de dongbeiya' (China Wants to Build a Prosperous and Harmonious Northeast Asia together with Other Countries), 3 September, 2006
<<http://www.harmonycn.net/politics/2006/0903/3458.html>>

It is notable that promoting regional cooperation and integration has been central to China's vision of a harmonious Asia. In his speech at the CICA, Hu suggested that to realize a harmonious regional order, Asian countries should work together to build a new type of security architecture to manage regional political, economic and security affairs. Multilateralism and economic cooperation were again stressed. He suggested that Asian countries should work together to strengthen various regional organizations and security mechanisms such as the SCO, the Association of Southeast Asian Nations (ASEAN) and CICA, and accelerate economic cooperation and integration especially in areas such as energy, finance, agriculture and transportation. In a subsequent article published in *Outlook Weekly*, a flagship magazine of China's official Xinhua News Agency, it is argued that to promote 'a harmonious Asia', China should participate and promote the development of various security-related structures in the region such as APEC, the ASEAN Regional Forum (ARF), CICA and the Shangri-la Dialogue.²⁸

'Harmonious world' and China's regional engagement

To a certain extent, the idea of a 'harmonious world' has grown out of Beijing's increasing confidence derived from the positive experiences of its recent engagement with neighbouring countries. The past decade saw an unprecedented interest in and active participation by China in regional economic integration, security cooperation, and community-building. In this process Chinese diplomacy has become increasingly

²⁸ Zhai Kun, 'Zai 'hexie yazhou' de da mubiao xia' (Under the Grand Goal of 'Harmonious Asia'), *Liaowang xinwen zhoukan* (Outlook Weekly), 27 June, 2006 < Reprinted at <http://www.mzfz.gov.cn/news/131/2006/20060627380.html>.>

sophisticated, pragmatic and successful.²⁹ In particular, China's new regional activism has been qualitatively different in three important ways from its traditional good-neighbor diplomacy (*mulin waijiao*) practiced before the early 1990s. First, in the past China focused more on its political relations with neighboring countries. Now the emphasis has been expanded to the security and economic areas by declaring not only to build 'an amicable neighbourhood' (*mulin*) but also 'a tranquil neighbourhood' (*anlin*) and 'a prosperous neighbourhood' (*fulin*).³⁰ Second, whereas in the past China developed its relationships with neighbouring countries on a bilateral basis, over the last decade it has turned more towards use of multilateral mechanisms to promote its relationships with neighbours. Third, China has in recent years demonstrated a growing intention and ability to move beyond mere participation to attempt influencing the development of regional institutions.

In China's new regional diplomacy, its engagement with ASEAN and the Shanghai Cooperation Organisation (SCO) are particularly significant. In both cases, China's new approach to regional cooperation and institution-building has successfully transformed previously difficult and even conflicting relations into cooperation and strategic partnership. Moreover, in both cases, not only has there been substantial progress in practical cooperation but also there is growing convergence of norms concerning regional community-building between China and respective regional countries involved. Indeed, as Fu Ying, the former director-general of the Department of Asian Affairs in the Chinese

²⁹ David Shambaugh, 'China Engages Asia: Reshaping the Regional Order,' *International Security* 29, no. 3 (2004/05), pp. 64-99; Brantly Womack, 'China and Southeast Asia: Asymmetry, Leadership and Normalcy,' *Pacific Affairs* 76, no. 4 (2003/04), pp. 529-48.

³⁰ *Beijing Review*, 'East Asian Community Now Possible', 30 October, 2003, pp. 40-1

foreign ministry, stated: 'Taking ASEAN + 3 cooperation and SCO as two focal points, China will make pioneering efforts to set up regional cooperation and push for the establishment of a regional cooperation framework conforming to the characteristic of regional diversity'.³¹ A closer scrutiny of the two cases will therefore reveal some of the key features of China's new thinking on regional cooperation such as multilateralism, mutually beneficial economic cooperation and strategic partnership.

Until the early 1990s, China's relationship with ASEAN was characterized by suspicion, difficulty and even hostility. To ASEAN countries, the memory of Beijing's support of communist insurgency in Southeast Asia in the 1950s-60s still influenced their perceptions of China. This concern was heightened by China's growing economic and military clout following the post-Mao economic reforms. Moreover, in the early 1990s territorial disputes in the South China Sea between China and several ASEAN countries and China's assertive approach to the dispute added to a growing sense of a China threat.

To China, a cooperative relationship with Southeast Asia is critical to its goal of maintaining a peaceful and stable external environment conducive to its economic growth.³² Since the early 1990s, it has sought not only to improve bilateral relations with ASEAN countries but also to engage with ASEAN in multilateral settings. Beijing's approach to ASEAN countries was characterized by promoting mutually beneficial economic cooperation, and gradually building confidence and consensus in the security area. The Asian financial crisis provided an important opportunity for China. During the

³¹ As cited in Shambaugh, 'China Engages Asia', p. 74

crisis, Beijing's decision not to devalue its currency enhanced its image as a responsible and reliable partner of ASEAN countries. In the aftermath of the crisis, China has emerged as one of most active players and supporters of regional economic cooperation through the ASEAN+ 3 process. In November 2001, China proposed the establishment of a China-ASEAN Free Trade Area by 2010. In 2002, China and ASEAN also signed a 'Framework Agreement on Comprehensive Economic Cooperation'.³³ As a consequence, there has been a substantial expansion in China's trade with ASEAN. Two-way trade increased from US\$8 billion in 1991 to US\$106 billion in 2004. In 2005, ASEAN became China's 4th largest trade partner after the EU, USA and Japan.³⁴ In 2006, it was expected that bilateral trade would exceed US\$150 billion, a 50% increase compared to 2004.

Building confidence and promoting security cooperation has also been central to China's regional engagement. In 1994, China joined the ASEAN Regional Forum (ARF). Despite its initial suspicions of, and low profile in, the forum, Beijing quickly displayed its desire to use the multilateral platform to promote its desired regional order. In March 1997 China introduced its 'new security concept' in the annual ARF meeting. The key principles of the new security concept are equality, mutual benefit, consultation and cooperation.³⁵ For many, the idea was perceived as an effort to challenge the existing

³² Michael A. Glosny, 'Heading Toward a Win-Win Future? Recent Development in China's Policy Toward Southeast Asia', *Asian Security* 2, no. 1(2006), pp. 24-57.

³³ Shambaugh, 'China Engages Asia', p. 75.

³⁴ Sheng Jiru, 'Zhongguo: dongmeng zhide xinlai de huoban' (China: A Reliable Partner for ASEAN), *BanYueTan* (China Comment), no. 9 (2006).

³⁵ Yu Xintian, 'China and Northeast Asian Regional Security Cooperation,' *Asia-Pacific Review* 12, no. 2 (2005), p. 31.

regional order underpinned by the US alliance system in Asia.³⁶ In 2002, China also initiated an annual dialogue of regional defence ministers within the ARF.³⁷ At their summit in 2002, China and ASEAN signed the landmark 'Declaration on the Conduct of the Parties in the South China Sea' by which all sides agreed to resolve their disputes through peaceful means. While in the 1990s the South China Sea dispute was widely perceived as a major potential flashpoint in the region, the declaration has helped attenuate this risk.

The China-ASEAN relationship reached new heights in October 2003 when China signed ASEAN's Treaty of Amity and Cooperation in Southeast Asia (TAC), becoming the first non-ASEAN country to do so. In the meantime, China and ASEAN also declared their intention to establish 'A Strategic Partnership for Peace and Prosperity'.³⁸ In the ASEAN-China summit in 2004, Chinese premier Wen Jiabao proposed to establish an East Asian community.³⁹ Subsequently Beijing has been actively promoting the process of the East Asian Summit (EAS). In his speech at the EAS's Leaders Dialogue on 12 December 2005, Wen stated that 'China is committed to East Asia cooperation in the interest of fostering a harmonious, secure and prosperous neighbourly environment'.⁴⁰ Many outside

³⁶ Carlyle Thayer, 'China's New "Security Concept" and Southeast Asia', in David Lovell, ed, *Asia-Pacific Security: Policy Challenges* (Singapore: ISEAS, 2003), p. 90.

³⁷ Bates Gill and Huang Yanzhong, 'Sources and Limits of Chinese 'Soft Power'', *Survival* 48, no. 2 (2006), pp. 17-36.

³⁸ Zan Jifang, 'China, ASEAN Raise the Stakes', *Beijing Review*, 23 October, 2003, pp. 42-3.

³⁹ Shambaugh, 'China Engages Asia', p. 76.

⁴⁰ Wen Jiabao, 'China's Peaceful Development: An Opportunity for East Asia', Speech at The East Asia Summit Leaders Dialogue, Kuala Lumpur, 12 December, 2005
<<http://www.fmprc.gov.cn/eng/wjdt/zyjh/t228273.htm>>.

observers have attributed the ‘unusually successful’ relationship between China and ASEAN to China’s polished diplomacy and growing leadership role in the region.⁴¹

Compared to China’s successful relationship with ASEAN, its participation and leadership in the development of the SCO is even more significant. The SCO was established in June 2001 in Shanghai to promote regional cooperation and confidence-building. Its founding members were China, Russia, Tajikistan, Kyrgyzstan, Kazakhstan and Uzbekistan. The organization was founded on the ‘Shanghai Five’ - an annual forum set up in 1996 by SCO member countries except Uzbekistan with the aim of solving the border dispute between China and the other member states by promoting confidence-building measures in defence matters. In April 1996, the heads of the five states held their first meeting in Shanghai to discuss measures for defusing tension and building mutual trust. Between 1996 and 1997, two important agreements were signed on deepening military trust along the border areas and mutual reduction of armed forces in the border areas. The agreements are due to expire in December 2020 but are renewable. The heads of the five states also agreed to meet annually. From these origins was born the Shanghai Five. Based on the two agreements, China quickly settled its border issues with the other four countries. Between 1998 and 2001, the forum expanded its focus from border issues to wider security concerns, especially anti-terrorism and transnational crimes that threaten regional security and stability.

⁴¹ Womack ‘China and Southeast Asia’; Jean A. Garrison, ‘China’s Prudent Cultivation of ‘Soft’ Power and Implications for U.S. Policy in East Asia,’ *Asian Affairs: An American Review* 32, no. 1 (2005), pp. 25-30; Renato Cruz De Castro, ‘Exploring the Prospect of China’s Peaceful Emergence in East Asia,’ *Asian Affairs: An American Review* 33, no. 2 (2006), pp. 85-102.

Encouraged by the achievements of the Shanghai Five process, in 2001 China took the lead in formally transforming it into the SCO. Compared to the Shanghai Five, the SCO has a much broader agenda and greater ambition. According to the declaration establishing the SCO the organization's aims are to build confidence among the member states; promote comprehensive regional cooperation in a wide range of fields, including politics, economics and culture; ensure regional peace and security; and encourage democratisation and multi-polarisation of the world order. In June 2002, the SCO held its second summit in St. Petersburg, Russia and endorsed the organization's founding charter. In 2004, the organisation set up a permanent secretariat in Beijing. The SCO has quickly become an increasingly influential and important regional organization and attracted international attention. In June 2006, when the organization held its sixth summit in Shanghai, India, Pakistan, Mongolia and Iran all participated as observers and several of them reportedly applied for full membership.

The development of SCO is noteworthy given the active role and leadership played by China. The SCO is the first regional organization that China has sponsored. Its successful development has largely been attributed to China's skillful diplomacy, especially in its cooperation with Russia. At the inaugural meeting of the SCO, China declared that it aimed to build a new type of the regional organization. On China's initiative, SCO members adopted the so-called 'Shanghai Spirit' as the organization's guiding principle. The 'Shanghai Spirit' advocates 'mutual trust and benefit, equality, consultation, respect for different civilizations and common prosperity'.⁴² Indeed it was noted by some

⁴² *China Daily*, 'SCO Promotes Regional Peace,' 16 June, 2001.

regional observers that creation of SCO ‘initiated a new global vision with regards to security’ and ‘is an important contribution to international relations’.⁴³

The SCO substantially improved the relationship among the member states. In particular, despite much speculation of a China-Russia rivalry in the SCO, the past few years have seen a substantial improvement in Sino-Russian relations. In July 2001, one month after the inauguration of the SCO, China and Russia signed the ‘Treaty for Good Neighbourliness, Friendship and Cooperation’, the first such treaty Beijing has signed with a foreign country since 1961. The 20-year treaty signifies a substantial improvement in their relationship and the desire to maintain it over the long-term. In 2005, when Hu Jintao visited Moscow both countries signed a joint statement on a new world order in the 21st Century in which they vowed to promote a ‘harmonious world’.⁴⁴ Given the SCO expanding influences and its exclusion of the U.S. from the organization, its development indeed demonstrated China’s growing ability and intention to form regional security architecture on China’s terms.

Implications for East Asian regionalism

China’s new thinking on regional relations and its active participation in regional cooperation and community-building have important implications for East Asian regionalism. With its growing economic influences and sophisticated diplomacy, China is becoming an increasingly important player in the emerging regional order. China’s new

⁴³ Mutlaq Al-Qahtani, ‘The Shanghai Cooperation Organization and the Law of International Organizations’, *Chinese Journal of International Law* 5, no. 1 (2006), p. 129.

⁴⁴ *Xinhua News Agency*, ‘Sino-Russia Joint Statement on A New World Order in the 21st Century,’ 1 July, 2005, <http://news.xinhuanet.com/world/200507/01/content_3164594.htm>.

thinking about regional relations and its active regional engagement has already influenced the development of East Asian regionalism in a number of significant aspects. Firstly, China's economic rise, and its emphasis on mutually beneficial regional economic cooperation, has prompted a China-led process of economic integration in East Asia. As discussed earlier in the paper, this process was partly triggered by the Asian Financial Crisis in 1997, when China and the regional countries began to realize the importance of regional economic cooperation. Since then, China has emerged as one of most active players and supporters of regional cooperation through the ASEAN + 3 process. In November 2001, China proposed the establishment of a China-ASEAN Free Trade Area by 2010. In 2002, China and ASEAN also signed a 'Framework Agreement on Comprehensive Economic Cooperation'. Following China's footsteps, Japan announced its intention to develop a Comprehensive Economic Partnership with ASEAN by 2012, and India followed suit by proposing to set an India-ASEAN Free Trade Area by 2011.

Secondly, Beijing's changing view of multilateralism has added new impetus to the process of confidence-building and security cooperation through its increasingly active role in regional security institutions. Through its leadership role in SCO, the six-party talks on the North Korea nuclear crisis and the East Asian Summit (EAS) and play important influences over the shape and future direction of these regional institutions.

More significantly, China's new regional diplomacy has had a far reaching, yet largely unnoticed, influence on the normative structure of the emerging regionalism in East Asia.

There is considerable convergence between the Chinese approach to regional cooperation and the established 'ASEAN norm' of regional cooperation which has been based on consensus-building, non-interference in each other's internal affairs and preference for informal processes to formal legalistic measures. While most ASEAN countries held such norms firmly, in recent years, there has been criticism that such norms are outdated and ineffective. There have been demands both within and outside ASEAN for moving towards a more legalist, EU-style regionalism. In this context, China has lent critical support for the traditional ASEAN norms through its participation in and support of regional forums such as ASEAN+3, ARF and EAS as well as its espousal of ideas such as 'new security concept' and 'harmonious Asia'.

In a sense, the norms championed by China and ASEAN have already cemented their place as key elements of the ideational foundation of regional cooperation. In this regard, China's accession to TAC in 2003 has been particularly important. The TAC came into being in 1976, and their fundamental principles are respect for sovereignty and non-interference in each other's internal affairs. For many western observers, the TAC was considered outdated with its Westphalian vision of nation-state relations. Yet China's accession to the TAC gave added weight to these principles however. Following China's accession, Japan and India also signed the TAC. The TAC was later made an essential criterion for membership of the EAS. In 2005, Australia and New Zealand signed the TAC to facilitate their attendance at the inaugural EAS meeting. Given China's support of ASEAN as the driver for further development of an East Asian community, the norms

contained in the TAC and a 'harmonious world' may well lay the ideational foundation of the future regionalism in East Asia.⁴⁵

Conclusion

It has long been observed that the great cultural, political and economic diversity of Asia makes it difficult for an EU-style regionalism to develop. This has not stopped Asian countries searching for ways to deepen regional cooperation suitable to local conditions. China's rapidly growing power and influences, its aspiration of becoming a dominant regional power and its promotion of a Chinese vision of regional order further reinforce this trend. While the idea of a 'harmonious world' still lacks of substances, the record of engagement between China and regional organizations such as ASEAN and SCO suggests its growing influences and capacity to shape future development of the East Asian regionalism.

⁴⁵ Susumu Yamakage, 'The Construction of An East Asian Order and the Limitations of the ASEAN Model,' *Asia-Pacific Review*, Vol. 12, No. 2 (2005):1-9.