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The ASEAN-China Partnership: Balancing Merits and Demerits

*Farah Nadine Seth and Sharon Seah*

It was Chen Xiaodong, China’s Assistant Minister of Foreign Affairs, who proposed establishing an ASEAN-China Comprehensive Strategic Partnership (AC-CSP) in 2021. In this photo, Chen Xiaodong delivering a speech during the Middle East Security Forum at the Diaoyutai State Guesthouse in Beijing on 27 November 2019. Picture: Noel CELIS, AFP.

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EXECUTIVE SUMMARY
• An ASEAN-China Comprehensive Strategic Partnership (AC-CSP) may be on the cards, but ASEAN fears that adopting it may be construed as taking sides.

• While a pragmatic analysis of what an AC-CSP would bring to the table across its three pillars of cooperation is needed, ASEAN should also consider the implications for the bloc’s strategic autonomy, given the political and institutional upgrading of ties involved.

• While ASEAN may find it difficult to rebuff China’s overtures for an AC-CSP given Beijing’s expanding hegemony and the structurally asymmetrical relationship, the common challenges and aspirations shared by both parties nevertheless encourage functional cooperation. On the flip side, there is also the danger of certain presently relished benefits in the relationship being lost.

• Thus, ASEAN must be mindful of the method and pace with which AC-CSP negotiations are conducted, and focus on expanding cooperation in mutual ‘bright spots’ in the socio-cultural realm, and allow for an implicit wait-and-see approach.

• China and Australia’s requests for an upgrade presents an opportune window for ASEAN to calibrate its guiding principles for future upgrading of partnerships.
ASEAN’s relationship with China follows closely the latter’s exponential rise in importance globally in the last 30 years. China’s first official engagement with the bloc was in 1991, and it was accorded full Dialogue Partner (DP) status five years later. Despite joining later than other countries, China accelerated its engagement with ASEAN rapidly thereafter with China-ASEAN ties being upgraded to a strategic partnership in 2003, earlier than for other DPs. Since then, China has embarked on a plethora of collaborations across ASEAN’s three sectoral pillars.

Continuing earlier calls for strengthening of ties, China has been pushing for an ASEAN-China Comprehensive Strategic Partnership (AC-CSP) with the advent of the 30th Anniversary of ASEAN-China dialogue relations this year. It was Chen Xiaodong, China’s Assistant Minister of Foreign Affairs, who proposed establishing an AC-CSP in 2021. This was met with a polite muted response from the bloc as seen in the Chairman’s Statement of the 23rd ASEAN-China Summit. China’s desire to upgrade bilateral relations reflects ASEAN’s long-standing economic and strategic importance to Beijing, with top Chinese diplomats repeatedly emphasising that “China will always take ASEAN as a priority in its neighbourhood diplomacy”. At the point of writing, discussions on a potential AC-CSP, along with Australia’s request to upgrade its relations to a CSP, are ongoing.

This Perspective examines ASEAN-China cooperation across ASEAN’s three sectoral pillars before analysing the opportunities and concerns of a potential AC-CSP. We argue that while ASEAN must carefully consider the conditions for an AC-CSP, including concerns of exacerbated structural inequalities in the political-security and economic realms, the bloc might be hard-pressed to ignore China’s overtures given Beijing’s expanding regional influence and the structurally asymmetrical relationship. Nevertheless, the common challenges and aspirations shared by both parties point to potential mutually beneficial areas of functional cooperation. As such, ASEAN must be mindful of the method and pace in which AC-CSP negotiations are conducted, and focus on expanding cooperation in mutual ‘bright spots’ in the socio-cultural realm, and allow for an implicit wait-and-see approach.

MULTIFACETED COOPERATION THROUGH THE YEARS

China’s key pillar of cooperation with ASEAN is arguably economic. China was the first major power to conclude a Free Trade Agreement (FTA) with ASEAN, and trade and investment between both parties has grown rapidly as a result. China has been ASEAN’s top trading partner since 2009. In 2020, the bloc surpassed the EU to be China’s top trading partner. Two-way trade in 2020 was valued at US$731.9 billion while foreign direct investment inflows into the region topped US$7.6 billion. From their wide-ranging cooperation – spanning production capacity, communication and science technologies, transport cooperation and smart cities – connectivity has emerged as a key cooperation sector with both parties working to synergise common strategies in the Master Plan on ASEAN Connectivity 2025 and China’s Belt and Road Initiative. Through the latter, China has invested significantly in various infrastructure projects region-wide, especially in the mainland ASEAN states.
Recently, collaboration under the socio-cultural pillar has gained traction and earned China more soft power. China and ASEAN have increased cooperation in public health, environmental protection, disaster management, and rural development. Furthermore, China’s COVID-19-related assistance and its extensive vaccine diplomacy in the region were noteworthy, with the region recognising China as the DP that provided the most help during the pandemic, according to The State of Southeast Asia: 2021 Survey (SSEA2021). Within the environmental realm, there have been growing interactions in environmental protection, climate action and eco-friendly cities. The increased socio-cultural interlinkages are perhaps best encapsulated in the 30th year of ASEAN-China Dialogue Relations’ theme, “Year of Sustainable Development Cooperation”, which focused on non-traditional security and sustainable development issues.

Their political and security cooperation, however, is subject to changing push-and-pull tensions. Beijing’s law enforcement-driven security collaborative efforts centre on drug trafficking, transnational crime and non-traditional security issues. Regarding defence security, China has participated in various fora within ASEAN-led mechanisms such as the ASEAN Defence Ministers Meeting Plus, ASEAN Regional Forum and the East Asia Summit. However, their political discussions largely focus on the contentious issue of territorial sovereignty in the South China Sea (SCS). Various measures to manage these increasingly tense relations have been initiated including the Declaration on the Conduct of Parties in the South China Sea (DOC) signed in 2002, and the ongoing Code of Conduct (COC) negotiations that have been underway since 2017. Progress on the COC has been slow-moving, and military incursions in the SCS are straining relations and belying the agreements made to mitigate tensions.

An AC-CSP would signal higher priority in foreign affairs and more extensive cooperation across multiple sectors. Referencing Premier Wen Jiabao’s authoritative definition on a CSP, the term ‘Comprehensive’ denotes that the partnership would involve “cooperation in the economic, technological, cultural and political fields” with multi-level diplomatic cooperation at the government and people-to-people level to deal with both bilateral and multilateral issues. Beijing’s Five-Point Proposal on the future of ASEAN-China cooperation serves as a reference point for the possible areas that an AC-CSP would focus on (refer to Table 1).

**Table 1: China’s Five-Point Proposal for China-ASEAN Relations**

<table>
<thead>
<tr>
<th>No.</th>
<th>Key Thrusts of China’s Five-Point Proposal for China-ASEAN Relations</th>
<th>Area of Cooperation</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>“Uphold good neighbourliness and enhance mutual strategic trust.”</td>
<td></td>
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<tr>
<td></td>
<td>• ASEAN as a priority in neighbourhood diplomacy</td>
<td>ASEAN centrality and legitimacy</td>
</tr>
<tr>
<td></td>
<td>• China “firmly supports” ASEAN community building and ASEAN centrality in regional cooperation</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>“Put people first and deepen COVID response cooperation.”</td>
<td>Public Health (ASCC)</td>
</tr>
<tr>
<td></td>
<td>• Disseminate COVID vaccines to ASEAN states</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Support ASEAN states in building regional vaccine production and distribution centres</td>
<td></td>
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### OPPORTUNITIES AND CONCERNS OF AN AC-CSP

Considering the longstanding cooperation between ASEAN and China, their increasingly inter-connected economies, and the crucial geopolitical space within which the ASEAN bloc resides, it is not surprising that China is pushing for a closer strategic partnership. The changing global geopolitical landscape with a stridently growing counter-China narrative and regional architecture\(^{21}\) led by an assertive Biden Administration, is also a factor in driving China to strengthen its remaining bright spot in diplomatic relations.\(^{22}\) China has been engaging in a charm offensive with the region with reciprocal bilateral visits between China and ASEAN countries in the last year, despite pandemic travel restrictions.\(^{23}\) The series of 30\(^{th}\) Anniversary commemorative events\(^{24}\) have also allowed Beijing to repeatedly highlight enduring China-ASEAN bonds and press for an AC-CSP.
However, regional trust in China is low despite Beijing’s COVID-19 diplomacy. According to SSEA2021, China recorded the lowest trust ratings of 16.5% and the highest distrust ratings of 63.0% amongst regional respondents. The top-cited concern was that China’s economic and military might may be used to threaten ASEAN states’ interest and sovereignty. A potential AC-CSP would enhance fears of ASEAN’s loss of strategic autonomy given closer economic and security ties and likely increased Chinese hegemony.

Moreover, Southeast Asia is shaping into a geopolitical battleground, with the US and its allies re-focusing their attention to the region. In contrast to the previous administration’s disinterest, the Biden Administration views Southeast Asia and ASEAN as being integral to security interests in the Indo-Pacific and in countering Chinese strategic and economic influence in the region. A recent ramp up in American diplomatic visits to Southeast Asia with the most recent being Vice-President Kamala Harris’ visit to Singapore and Vietnam, point to US intention to revitalise their engagement with the region.

Against this backdrop, an AC-CSP may heighten ASEAN’s fears of being forced to take sides in the major power rivalry. Such a CSP would be the first between ASEAN and one of its DPs, sending an implicit signal of ASEAN tilting towards China despite its position thus far of neutrality. The traditional risk-averse ASEAN approach would be to continue hedging and to employ a wait-and-see strategy. This mode was already exhibited in the watered-down version of the final Co-Chair’s Statement on the Special ASEAN-China Foreign Ministers’ Meeting in Celebration of the 30th Anniversary of the Dialogue Relations despite China’s initial optimistic projections. It is unclear, though, how long ASEAN can continue to hedge and if prolonged delay would be viewed as a rebuff to the Chinese. However, noting the glacial pace at which consensus-driven ASEAN tends to operate, especially during pandemic times, such a delay – or hedging – would not be unusual and could be a convenient excuse.

ASEAN must embark on a pragmatic analysis of what an AC-CSP would bring to the table. Closer economic ties with China have certainly benefited the region. It is unclear whether closer political-security cooperation would be a boon or bane. In areas of mutual alignment such as combatting drug trafficking and transnational crime, there are opportunities for closer functional cooperation, though mainland states may worry about the expansion of Chinese influence in sub-regional security. In the SCS disputes, some supporters may see an AC-CSP as an opportunity for ASEAN claimant states to seek to resolve contested boundaries. In their Five-Point Proposal, Beijing indicated its willingness to step up resolution-driven dialogue with claimant states and to speed up negotiations on a COC that complies with international law. These would be promising signs of more effective cooperation in an AC-CSP. However, China’s track record of coercive fait accompli building of artificial islands and military outposts to stake its territorial claim as well as its blatant disregard of the 2016 Tribunal ruling not in its favour, makes it unlikely that Beijing can be persuaded to depart from its thus far China-first doctrine even within an AC-CSP. Strengthened regional ties through an AC-CSP could put claimant states under greater pressure to resolve SCS disputes bilaterally, an avenue that China has long preferred. Similarly, non-SCS claimant states may be reluctant to include the matter of SCS concessions, those not being of concern to them in an institutional agreement.
The AC-CSP may appear to be a revival of China’s proposed ASEAN-China Treaty of Good Neighbourliness, Friendship and Cooperation, an idea that China put forward in 2013 to frame the strategic partnership. The idea of a treaty was politely and quietly shelved on concerns that it would duplicate and undermine the Treaty of Amity and Cooperation.\textsuperscript{33} The promotion of “multilateralism with Asian characteristics” in Beijing’s Proposal suggests a desire to create a China-centred multilateral order but one which is undefined and ill-articulated. The Sino-centric world idea threatens to contradict the global international legal order which can be problematic to both sides’ stated adherence to international law, particularly in the SCS disputes. This raises a greater concern of whether strengthened ties would exacerbate the asymmetrical China-ASEAN relationship and force ASEAN to take a more China-amenable stance on other contested issues such as the Indo-Pacific or the Mekong sub-region. In essence, would an upgrade put ASEAN in danger of becoming a proxy region prone to do China’s bidding?

From an economic standpoint, an AC-CSP could enhance both the advantages and disadvantages stemming from the current relationship. For example, while trade and investment volumes may have room for expansion, existing trade deficits and negative impacts on ASEAN states’ local economies may consequently be exacerbated. Increased Chinese investment in connectivity projects, mostly in the Mekong region, while benefitting infrastructure needs, may heighten fears of increased economic dependence on China and subsequent decreased strategic autonomy.\textsuperscript{34} These scenarios are no doubt dependent on the actual terms of the AC-CSP, but were ASEAN to decide not to accede to a CSP, it is likely that a rebuffed China would impose retaliatory punitive measures as it had done with Australia, a situation that most countries would rather avoid.\textsuperscript{35}

The socio-cultural pillar may perhaps be the bright spot in an AC-CSP. This year’s “Sustainable Development Cooperation” theme with its focus on expertise sharing on climate change, biodiversity, marine environment preservation, sustainable cities and clean energy, points to increased future cooperation on pressing environment-related issues. Beijing has indicated its readiness to implement the latest ASEAN-China environmental cooperation strategy.\textsuperscript{36} Moreover, their commitment to environmental protection and innovation is underscored in the third thrust of their Five-Point Proposal on developing partnerships based on new growth drivers such as the blue and green economies. The other growth area of public health, as seen in the Proposal’s second thrust, suggests much-needed pandemic-related cooperation, moving forward. This includes joint vaccine production in ASEAN states, initial steps of which are seen in China and Indonesia’s recent cooperation pledge.\textsuperscript{37} Functional cooperation holds promises of a “feel-good” factor and an ability to conduct arms-length cooperation without sacrificing strategic autonomy.

From an institutional standpoint, upgrading ties holds both opportunities and risks, given China’s existing bilateral relations with ASEAN states. Following Li & Ye’s categorisation of China’s partnerships into three broad categories – regular partnership, strategic partnership and comprehensive strategic partnership,\textsuperscript{38} it is worth noting that most of China’s bilateral relations with ASEAN member states are more comprehensive than those with ASEAN as a whole, with most of them falling under the CSP grouping (Refer to Table 2). In particular, the Mekong countries of Cambodia, Laos, Myanmar, Vietnam and Thailand all have a higher level of bilateral partnerships that entered into force earlier than for those China has with their maritime counterparts.
Table 2: Status of Bilateral Relations of ASEAN Member States with China

<table>
<thead>
<tr>
<th>ASEAN Member State</th>
<th>Broad categorisation of Partnership Types – based on categorisations from Li &amp; Ye, 2019 (Actual name of partnership written in brackets)</th>
<th>Entry into Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vietnam</td>
<td>Regular Partnership</td>
<td>Strategic Partnership</td>
</tr>
<tr>
<td>Laos</td>
<td>Regular Partnership</td>
<td>Strategic Partnership</td>
</tr>
<tr>
<td>Cambodia</td>
<td>Regular Partnership</td>
<td>Strategic Partnership</td>
</tr>
<tr>
<td>Myanmar</td>
<td>Regular Partnership</td>
<td>Strategic Partnership</td>
</tr>
<tr>
<td>Thailand</td>
<td>Regular Partnership</td>
<td>Strategic Partnership</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Regular Partnership</td>
<td>Strategic Partnership</td>
</tr>
<tr>
<td>Malaysia</td>
<td>Regular Partnership</td>
<td>Strategic Partnership</td>
</tr>
<tr>
<td>Philippines</td>
<td>Regular Partnership</td>
<td>Strategic Partnership</td>
</tr>
<tr>
<td>Brunei</td>
<td>Regular Partnership</td>
<td>Strategic Partnership</td>
</tr>
</tbody>
</table>
These raise important considerations. Is this a critical juncture for ASEAN to upgrade its relationship with China to reflect the strengthened ties which most ASEAN states already have with Beijing? As noted in *NIDS China Security Report 2019*, the framework between ASEAN and China serves as a “protective wall that prevents the direct exertion of China’s massive influence on the small and medium-sized countries of ASEAN”.

Similarly, an upgraded relationship could provide ASEAN greater leverage and a unified voice when dealing with China on contested sub-regional matters – such as the Mekong issues – which individual states may have less authority to act on. However, critics could argue that the converse is just as important – ASEAN as an institution should resist upgrading relations as a last ballast of regional hedging against expanding Chinese hegemony, maintain “pushback” against being drawn more into China’s orbit and attempt to preserve its strategic autonomy. These possible scenarios depend on the bloc’s objectives in an AC-CSP and critical operationalisation details.

The EU-China Comprehensive Strategic Partnership (EU-China CSP) provides a point of comparison for a potential AC-CSP. Announced in 2003, the EU-China CSP was heralded as the coming together of two “natural partners” to go beyond trade and investment ties and strive towards greater “convergence around long-term economic, political and strategic attitudes and objectives”. The EU’s strategic motivations for entering into this partnership were manifold, one being the desire to counteract the US’ then rapidly spreading hegemony. However, the upgraded partnership eventually amounted to merely strengthening trade and investment relations. Analysts have attributed the lacklustre strategic partnership to fundamental differences in political values, geopolitical spheres of interest as well as conceptions of world order. China’s declining strategic interest in EU, given the former’s meteoric global rise in the last two decades, also played a role.

While the EU-China CSP raises the possibility that an AC-CSP could similarly amount to enhanced economic cooperation, realists would point to vital differences in the ball game between ASEAN and China: the geo-proximity of Southeast Asia, the region’s strategic space for Beijing to extend its influence vis-à-vis major power rivalry, and the greater structural asymmetry in the ASEAN-China relationship. These all suggest not only the longevity of a potential AC-CSP but also the risk of loss of ASEAN centrality in the regional architecture and a backslide in international rule of law if China’s vision of “multilateralism with Asian characteristics” were realised.

**MOVING FORWARD**

As discussed above, while an AC-CSP affords ASEAN some opportunities, there are areas of concern which the bloc must carefully consider. In assessing and negotiating the terms of a possible AC-CSP, the timing and operationalisation of the details of the multi-sectoral
cooperation are crucial. Beijing also needs to provide more clarity on what they want to achieve in a CSP.

From a realist’s perspective, however, ASEAN may find it hard to rebuff China’s overtures for a CSP. Given Beijing’s unspoken determination to increase its economic and strategic influence in the region, as well as its well-known tit-for-tat modus operandi of punishing countries that rebuff it, the bloc may have little choice but to eventually accede. Moreover, the fact that a sizeable number of ASEAN states are dependent on China’s economic purse and political support for development projects and regime legitimation points to potential internal willingness for upgraded ties. In this regard, Cambodia recently voiced its public support for an AC-CSP at the ASEAN Post Ministerial Conference with China.  

Furthermore, it could be argued that China is perhaps already engaging in a pseudo-CSP with ASEAN given the already broad-based and active collaborations already underway, and an AC-CSP would be but a mere repackaging exercise.

Nevertheless, a defeatist power-driven perspective presents only a limited analysis of the relationship. Despite Beijing’s oft-cited dismissal of the bloc’s small size, ASEAN states and China have a shared future given their overlapping spheres of economic and geographic existence. Common challenges such as public health, climate action, post-pandemic recovery as well as common aspirations such as development-driven connectivity, highlight their semi-symbiotic relationship and point to potential areas of mutually beneficial functional cooperation.

Taking these factors into consideration, ASEAN must therefore be mindful of the method and pace with which negotiations on an AC-CSP are conducted. The bloc could consider focusing on the expansion of cooperation in mutual ‘bright spots’ in the socio-cultural realm that have room for growth, such as environmental collaboration or pandemic-related assistance. The pace at which negotiations are conducted should also be managed, allowing ASEAN to take an implicit wait-and-see approach to see how external powers react to ongoing negotiations and to potentially extract more concessions from a China eager to finalise the partnership. Australia’s request for ASEAN to consider a CSP could well provide a good cover for ASEAN to delay a decision on the matter, although many will say that the tenor of the two relationships is vastly different. However, the case can nevertheless give ASEAN some space to consider what its guiding principles should be when upgrading partnerships.

At this point of preliminary negotiations, ASEAN should focus on the potential gains and the concerns of upgraded ties, including reconciling the different world views on both sides. It should take this valuable opportunity to calibrate its guiding principles for upgrading partnerships, moving forward, and perhaps most importantly, as the EU’s experience suggests, whether or not both sides share common multilateral values.

2 Countries such as Japan, Australia, the US, Canada and the EU had already established dialogue relations with the bloc in the 1970s. Source: ASEAN Secretariat. (2021). Overview of Dialogue Relations of ASEAN with the abovementioned countries. ASEAN Secretariat Information Papers. https://asean.org/asean/external-relations/.

3 Other DPs which reached a strategic partnership with the bloc years later include the Republic of Korea (2010), Australia (2014), the US (2015), Russia (2018), the EU (2020). Source: ibid.


9 The ASEAN-China FTA took full effect in January 2015.


14 These include information and best practice sharing on epidemiological data and guidelines for epidemic control, as well as capacity building on emergency response.


18 Focus areas include climate change impact mitigation, biodiversity preservation, tackling marine plastic debris, sustainable cities and clean energy promotion. ASEAN Secretariat. (5 March 2021). ASEAN, China reaffirm commitment to strong partnership. https://asean.org/asean-china-reaffirm-commitment-strong-partnership/.

19 Premier Wen Jiabao’s speech at the EU’s Brussels office in 2004 is seen by analysts as the most authoritative definition of what a Comprehensive Strategic partnership entails. In addition to his elucidation of the term “Comprehensive”, he further explained that the term “Strategic” connotes the importance of the cooperation to both parties and that it is “stable and long-term, overcoming the differences in ideology and political systems”. Lastly, the word “Partnership” implied that both parties strove towards a “win-win relationship” based on “mutual respect, mutual trust and equality”. Source: Li, Q. and Ye, M. (2019). China’s emerging partnership network: what, who, where, when and why. International Trade, Politics and Development, Vol. 3 No. 2, pp. 66-81. https://doi.org/10.1108/ITPD-05-2019-0004.


21 These include Western-led alliances, such as the G7 and the resurrected Quadrilateral Dialogue, which through their joint statements, sanctions and alternative infrastructure programmes (such as the Build Back Better World) have sought to counteract and chastise Chinese-led infrastructure projects as well as their incursions and abuses in various territories.


24 These include the opening ceremony in celebration of the 30th Anniversary of China-ASEAN Dialogue Relations in March 2021, the Special ASEAN-China Foreign Ministers’ Meeting in Celebration of the 30th Anniversary of the Dialogue Relations held in Chongqing in June 2021, as well as the recent Opening Ceremony of the Conference on Celebrating the 30th Anniversary of ASEAN-China Dialogue Relations held on 28 July 2021.

25 Perceptions of trust towards China, the US, EU, Japan and India were measured in this survey.
28. Deputy Secretary of State Wendy Sherman’s visit to Indonesia, Cambodia and Thailand in May 2021; Defense Secretary Lloyd Austin’s visit to Singapore, Vietnam and The Philippines in July 2021, as well as the behind-doors introductory meeting between Secretary of State Antony Blinken and ASEAN Foreign Ministers in July 2021 as well.


42 The other key motivations included instigating social and political change in China, as well as for the EU to show its geopolitical global leadership in corralling together rising powers.

