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ASEAN+3+3+2: EXPLAINING TRENDS OF US-CHINA REGIONAL COMPETITION IN THE ASIA-PACIFIC

Abstract

The recent trends of regionalism in the Asia-Pacific region in perspective of the ASEAN+3+3 (Association of South East Asian Nations+China, Japan and Korea+Australia, New Zealand and India), officially known as the East Asia Summit (EAS), are important for international relations. Especially, China's growing role and influence in this ASEAN centric new international order have attracted scholars of international relations substantially. China responded to the structural changes in East Asia, managed to transform its policies for the region in the mid-1990s and began to engage more actively than before in multilateral frameworks. The involvement of United States (US) in the regionalism has furthered a new political and strategic facet. Particularly, with this engagement, the US has made a big policy shift in the region. Taking into account of this policy shift of the two great powers, US and China, the paper mainly addresses two specific questions. First, what are the invisible dynamics of EAS politics after the US involvement? Second, how are the inside rudiments of security, political and strategic connotation in this regionalism after the US engagement? The paper aims to explain significance of recent trends of EAS centric regional competition and a deeper understanding of the increasing security, political and strategic nuances of the Asia-Pacific regionalism. The paper argues that ASEAN is inviting both powers to compete with each other through its balancing role. In the name of regional grouping, a regional security competition has been started under the umbrella of EAS.

1. Introduction

East Asia is on the move, merging different national strands into a new regional fabric.¹ The Asia-Pacific has become a key driver of global politics. Stretching from the Indian subcontinent to the western shores of the Americas, it spans two oceans - Pacific and Indian that are increasingly linked by shipping and strategy. It boasts almost half

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¹ Peter J. Katzenstein and Takashi Shirashi (eds.), *The Dynamics of East Asian Regionalism*, London: Cornell University Press, 2006, p. 1.

the world's population, includes many key elements of global economy as well as the largest emitters of greenhouse gases. It is home to several key United States (US) allies and important emerging powers like China, India and Indonesia.² In addition, China's meteoric rise in economic heft, military muscle and political clout over the past three decades has not just noticeably revamped the world's most populous nation but also decisively shaped East Asia's post-Cold War geopolitical landscape.³ Again, China's economic development needs overseas markets not only in the US and Europe but also in Asia. On the one hand, China needs to engage regionally to counterbalance the increasing US power in East Asia⁴ and on the other hand, the verity that undermines East Asian regionalism with its own identity is dominant US power and role herein. Therefore, US involvement in the (Association of South East Asian Nations (ASEAN) framework has added a new dimension in this region.

The recent trends of regionalism in the Asia-Pacific in perspective of the ASEAN+3 (ASEAN+China, Japan and Korea) and ASEAN+3+3 (ASEAN+3+Australia, New Zealand and India) are critical to international relations and in addition, the involvement of US and Russia in this regionalism has furthered a new political and strategic facet. The objective of the paper is to analyse recent trends of regional competition in the Asia-Pacific in terms of regional grouping and security. The ASEAN+3, ASEAN+6 and the involvement of US and Russia, formally known as East Asia Summit (EAS), with the politics of maritime security issues, Trans-Pacific Partnership (TPP) patronised by the US versus the proposal for the new trade bloc to be known as the Regional Comprehensive Economic Partnership (RCEP) which is enthusiastically embraced by China, have recently attracted great attention. ASEAN+3 is proposed by China while ASEAN+3+3 is proposed by Japan who welcomes and appreciates the inclusion of the US and Russia in these regional groupings. TPP includes many Pacific nations but excludes China and the proposed ASEAN+3 oriented RCEP includes many Pacific nations but excludes the US.

Ten Southeast Asian nations regarding RCEP said that they would begin negotiating a sweeping trade pact that would include China and five of the region's other major trading partners but not the US. Such inclusion-exclusion grouping is a regional competition that has much strategic significance considering geopolitical and strategic interests of major powers in the Asia-Pacific. Japan and China are the most vital players in the region in terms of security and regional competition. In absence of outright Chinese and/or Japanese leadership, ASEAN remains the most important institutional hub or focal point for security cooperation in East Asia. In this veracity, the active involvement of US, the key ally of Japan in this regionalism, China-US inclusion-exclusion grouping game as well as China-Japan and ASEAN relations seem vital. The study of trends of regional competition, great powers' interests and security concerns in the region invites the paper to juggle around with this changing

² Hilary Rodham Clinton, "America's Pacific Century", *Foreign Policy*, 11 October 2011.

³ Richard L. Armitage and Joseph S. Nye, "The US-Japan Alliance: Anchoring Stability in South Asia", *CSIS Report*, August 2012.

⁴ H. E. Baogang, "East Asian Ideas of Regionalism: A Normative Critique", *Australian Journal of International Affairs*, Vol. 58, No. 1, March 2004.

regional security environment. More to the point, the complex nature and changing trends of international relations in the region will be reflected in deeper analysis of these facts in the paper.

The paper is mainly focused on key contemporary trends of regional competition between the two potential rivals, US and China. It is divided into seven sections. In section two, historical background of the EAS is discussed where US engagement and basic EAS policies up to the last 9th EAS meetings are mainly explained. In section three, the paper analyses the narration and facts on how and why the US is motivated to EAS. Section four analyses Chinese reaction and diplomacy in response to the US engagement in EAS. It also shows how a pro-China group in EAS meeting emerges concerning maritime security issue in South China Sea (SCS). In section five, nature and significance of the US' EAS politics are analysed. An explanation of US-China inclusion-exclusion grouping in the two regional trade blocs, TPP and RCEP, is also provided. In section six, the paper investigates ASEAN's role, as a key institution, in US-China confrontation in the EAS. Finally, concluding remarks are given in section seven where it is summarised that a regional competition on security and trade in the name of regional grouping in the Asia-Pacific has begun under the institutional patronisation of EAS.

2. Background of the EAS

East Asia is presumably the most diverse region in the world in terms of economic development asymmetry, mix of political regimes and socio-religious characteristics. It is a region marked by historic animosities between and among rival nations, where conflicts still persist between and among old and new states alike and where nationalism remains a potent force in many countries. The region, therefore, will seem to face a special set of challenges in the endeavour of regional community building.⁵ In this geopolitically and strategically significant region, formation of EAS has brought new political and strategic dimensions. EAS is a regional forum that consists of ten ASEAN members and eight countries of the Asia-Pacific (China, Japan and Korea+Australia, New Zealand and India+US and Russia) which is officially known as ASEAN+3+3+2. It is the region's premier forum for Asia-Pacific leaders to discuss pressing political and strategic issues. It is important for East Asian regional leaders for having strategic dialogue and cooperation on key challenges their countries are facing. It is also a major regional grouping with a vital role to play in advancing closer regional cooperation and integration.

With the participation of the US and Russia for the first time in 2011, EAS included all major regional powers, including US allies Japan, Republic of Korea, Australia, Thailand and the Philippines as well as India and China.⁶ The first move towards regional community building in East Asia was marched by Malaysian Prime Minister Mahathir Bin Mohammad's proposal for an East Asian Economic Caucus (EAEC) in 1991 which

⁵ Christopher M. Dent, *East Asian Regionalism*, New York: Routledge, 2008, p. 3.

⁶ "Fact Sheet: East Asia Summit Outcomes", available at <http://www.whitehouse.gov/the-press-office/2012/11/21/fact-sheet-east-asia-summit-outcomes>, accessed on 19 January 2013.

was strongly opposed by the US. With the failure of EAEC, the ASEAN+3 (ASEAN+China, Japan and Korea) started its drive immediately after the Asian financial crisis in 1997. The first Asia-Europe Meeting (ASEM) held in Bangkok in 1996 and attended by countries from European Union (EU) and East Asia (ASEAN, China, Japan and South Korea) became crucial. During this summit, leaders of Asian countries had joint discussion in order to elaborate common position in the format of ASEAN+3. Perceiving declining US power due to preoccupation with the War on Terrorism, a confident and assertive China saw an opportunity in the proposal to steer East Asian multilateralism along the lines of Shanghai Cooperation Organization (SCO).⁷

A joint meeting of the heads of ASEAN members along with leaders of China, Japan and South Korea, during which the decision on the creation of ASEAN+3 was made, took place in 1997 in Kuala Lumpur. Since then, ASEAN Plus Three (APT) summits have been held annually.⁸ Beijing's enthusiasm for an "Asians only" regional grouping, however, alerted countries that remain wary of the region being divided into Chinese and American blocs and/or falling under an "East Asia Co-prosperity Sphere" with Chinese leadership. Concern about China's ambitions thus led to a campaign to include India, Australia and New Zealand and ensured that ASEAN remained at the centre of a future EAC. Even after ASEAN decided to make EAS more broad-based, the membership issue remained a major bone of contention well into 2005 with China (keep it closed) and Japan (open it up) on opposing sides.⁹ Within few years of the formation of ASEAN+3, the then Japanese Premier Junichiro Koizumi, in a speech in Singapore in January 2002, called for establishment of an expanded East Asian regional model together with Australia, New Zealand and India besides ASEAN+3 framework which is called ASEAN+6.

The proposal, supported by the 8th ASEAN+3 Summit held on 29 November 2004 in Vietnam was accepted by the 10th ASEAN Summit to convene the first EAS in Malaysia in 2005. ASEAN diplomats believe Japan is trying to drag countries like Australia and India outside this region to serve as a counterbalance to China.¹⁰ China, in particular, strongly disapproved India and Australia's inclusion in the proposed EAS.¹¹ However, almost all Southeast Asian nations accepted the proposal of including Australia and New Zealand. Beijing did not get any supporter for its stance except Kuala Lumpur. Nearly all Southeast Asian countries supported India's participation in EAS, seeing it as a useful counterweight to China's growing power and backed Australia's participation provided Canberra acceded to the ASEAN Treaty of Amity and Cooperation (TAC). Australia and

⁷ Mohan Malik, "China and the East Asian Summit: More Discord than Accord", *Asia-Pacific Center for Security Studies*, February 2006.

⁸ Vyacheslav V. Gavrilov, "Framework of the ASEAN Plus Three Mechanisms Operating in the Sphere of Economic Cooperation", Discussion Paper No. 7, Center for Asian Legal Exchange (CALE), Nagoya University, Japan, September 2011.

⁹ Mohan Malik, *op. cit.*

¹⁰ G. Jayachandra Reddy, "East Asia Summit: Interests and Expectations", *International Journal of Peace and Development Studies*, Vol. 1(3), December 2010, pp. 35-46.

¹¹ Mohan Malik, *op. cit.*

New Zealand nonetheless remained targets of derisory barbs by Malaysian leaders who called them “US proxies” and ethnically or culturally unfit to be part of the Asian community.¹²

In the first EAS, the objectives, way of working and going ahead were declared in the Kuala Lumpur Declaration 2005 focusing on enhancing regional cooperation, as a forum for dialogue on broad strategic, political and economic issues of common interest and concern with the aim of promoting peace, stability and economic prosperity in East Asia. The declaration, among other things, focused on several aspects:

- Fostering strategic dialogue and promoting cooperation in political and security issues to ensure that countries can live at peace with one another and with the world at large in a just, democratic and harmonious environment;
- Promoting development, financial stability, energy security, economic integration and growth eradicating poverty and narrowing the development gap in East Asia, through technology transfer and infrastructure development, capacity building, good governance and humanitarian assistance and promoting financial links, trade and investment expansion and liberalisation;
- Promoting deeper cultural understanding, people-to-people contact and enhanced cooperation in uplifting the lives and well-being of peoples in order to foster mutual trust and solidarity as well as promoting fields such as environmental protection, prevention of infectious diseases and natural disaster mitigation.

In 2010, ASEAN officially agreed to invite US and Russia to join EAS. Indonesian Foreign Minister Marty Natalegawa recognised that the principal modality for the integration or the involvement or engagement of the Russian Federation and the US in the region was through the EAS expansion. Although the proposal is not specifically done by the desire of any individual country, it is evident that it is actually an ASEAN proposal to expand the EAS involving the US and Russia. In 2011, the 19th ASEAN Summit and 6th EAS were held in Bali, Indonesia. The US joined this East Asian regional grouping for the first time. In 2012, the 20th ASEAN Summit was held in Phnom Penh that officially accepted the proposal for the new trade bloc to be known as RCEP which is enthusiastically embraced by China and it does not include the US. TPP is an arrangement that officially aims to further liberalising trade in the Asia-Pacific initiated by New Zealand, Chile, Brunei Darussalam and Singapore in 2005. The US, Canada, Australia, Peru, Vietnam, Mexico and Malaysia have since joined. South Korea and Japan are still undecided to join. The US is the engine behind the TPP that does not include China.

¹² *Ibid.*

In 2013, the 8th EAS meeting was held in Brunei Darussalam led by the US Secretary of State John Kerry where Chinese Premier Li Keqiang and Indian Prime Minister Manmohan Singh attended. US President Barack Obama had to cancel his Asia tour, including that of Brunei for the ASEAN summits, to deal with the partial US government shutdown. His absence gave Li Keqiang a chance to garner more influence at the meetings. The conflicting claims over the SCS pitted an increasingly assertive Beijing against smaller Asian nations that look for support from the US. China claims almost the entire oil and gas-rich SCS, overlapping with claims from Taiwan, Malaysia, Brunei, the Philippines and Vietnam causing tensions over the disputed territory.¹³ In the meeting, the parties were called on to explore all mechanisms for peaceful settlement of disputes including maritime security in that sea without resorting to threats or use of force and in accordance with universally recognised principles of international law including 1982 United Nations Conventions on the Law of the Sea (UNCLOS) in the region. The Sultan of Brunei noted good momentum between ASEAN countries and China over territorial disputes in SCS and development towards a code of conduct. However, the Chinese Premier Li Keqiang warned countries to stay out of the dispute. He also said that the freedom of navigation in SCS had not and never would be an issue.¹⁴ The 9th EAS meeting was held in Nay Pyi Taw in 2014. All EAS leaders were present, including the US President and Chinese Premier. In the summit, issues of conflict between the two rivals were an area of debate and discussion.

3. US Involvement in the EAS

Through the involvement in EAS in 2011, the US undertook a big policy shift in the region. During the 1980s and early 1990s, view of the US was that Asian multilateralism was inimical to American interests, undermining its hub and spokes alliance system. The former Assistant Secretary of State, Richard Solomon, famously described proposals for a security dialogue forum as a solution. This hostility softened during the Clinton administration as the US joined the ASEAN Regional Forum (ARF), but under the George W. Bush administration, engagement with Asian institutions was episodic at best. After EAS was created in 2005, Bush officials dismissed the possibility of US participation, saying they would hesitate to push for an invitation to an organisation when they do not even know what it does.¹⁵ Actually at that time, US foreign policy focus was on the Middle-east and a bit on the Asia-Pacific. More explicitly, Bush administration's prioritised issues were wars in Iraq and Afghanistan and US foreign policy was heavily guided by the doctrine of preemption. Before the 6th EAS meeting, the summit was largely driven by ASEAN. There are many reasons for which the US has been keenly interested in the EAS. The significance of US participation in EAS can be justified by some.

¹³ "Global Leaders Attend 8th East Asia Summit in Brunei", available at <http://www.indtvusa.com/global-leaders-attend-8th-east-asia-summit-in-brunei/>, accessed on 22 June 2014.

¹⁴ Naomi Woodley, "What Mattered Most about the 8th East Asia Summit in Brunei?", available at <http://www.abc.net.au/news/2013-10-10/east-asia-summit-brunei-asean-chinese-li-keqiang/5015494>, accessed on 11 October 2013.

¹⁵ David Capie and Amitav Acharya, "The United States and The East Asia Summit: A New Beginning", *East Asia Forum*, 20 November 2012.

The first reason is deeper engagement policy of the US where today's world is considered as more complex given the distribution of power and that the US power is challenged. The former US Secretary of State Hilary Clinton has said that today's world is a crucible of challenges testing American leadership. Global problems, from violent extremism to worldwide recession to climate change to poverty, demand collective solutions, even as power in the world becomes more diffuse. They require effective international cooperation, even as that becomes harder to achieve. And they cannot be solved unless a nation is willing to accept the responsibility of mobilising action. The US is that nation.¹⁶ Hilary's statement clearly indicates new role of the US in the world to face new challenges which are threat to its existing status quo. Rising economies of the Asia-Pacific, ASEAN's dominant role in regional and world trade are the new challenges to the US interest. The existing hub and spokes system is a wrong mechanism to these challenges like decreasing influence and role in the Asia-Pacific and its regional framework. When ASEAN began in 1967, Southeast Asia was comprised of less developed agro-based economies. Today, the region boasts ultra-modern metropolises with competitive industries and economic growth rates that are among the highest in the world. These successes actually influence the US to change its Southeast Asia policy. More explicitly, the ASEAN's own cooperation style, popularly known as the ASEAN Way has been successful. Its harmony has been taken for granted. Therefore, ASEAN Way framework and its continuous attainment have pushed the US out from the region to influence ever more rather a possibility of replacement by other states like China. And that is always considered as the potential threat to the US in spite of having traditional hub and spokes alliance system in the region. In this veracity, the US, to maintain existing status quo in the region, needs more active engagement in ASEAN framework and that is why EAS is considered as the right place to be involved.

The second reason of initiating a big policy shift by the US in the Asia-Pacific is that the Cold War is over but diverse inter and intra national conflicts pose potential threats to the US interests. During the Cold War, China was the strategic ally of the US. However, after the end of the Cold War and the collapse of communism, Chinese military modernisation and rapid economic growth with the Pacific rim's growing influence and emerging drifts are worrying the US. These call for a big policy shift in the Asia-Pacific. In addition, Asian economic crisis and undermined Asian confidence in Asianism are responsible for active US presence and influence in Asia. Certainly, Asian ideas of regionalism are also constrained by geo-politics, historic and economic factors. For example, the Asian economic crisis has undermined Asian confidence in Asianism and slowed down the process of regionalism despite its speeding-up in 2001-2002. In addition, what underlies Asian perceptions of regionalism is the awareness of a dominant US power in Asia. The unipolar system, under which the US power penetrates East Asia and maintains fragmentation and division of the region, has made difficult and even impossible for the emergence of a common Asian identity.

¹⁶ Hilary Rodham Clinton, "Leading through Civilian Power: Redefining American Diplomacy and Development", *Foreign Affairs*, Vol. 89, No. 6, November-December 2010.

With the presence of the US factor, Asian regionalism can only be a supplement to the US. Asian regionalism has to be Pacific-centric regionalism with its door open to the US.

The former US Secretary of State Hilary Clinton in an article¹⁷ explained that US had moved fully to engage the region's multilateral institutions. She also claimed there was a demand from the region that the US should play an active role in the agenda setting of these institutions. It was in US interests as well that would be effective and responsive. She again cleared that President Obama would participate in the EAS for the first time in 2010. To pave the way, the US opened a new mission to ASEAN in Jakarta and signed Treaty of Amity and Cooperation (TAC) with ASEAN. Among other things, China's overwhelming and unique influence in SCS is the prime area of the US concern. EAS is considered as the right forum and a mechanism to address the issue effectively for US interests. EAS members are linked by the region's maritime spaces, which have enabled the region's dynamic economic growth and facilitated greater connectivity. Maritime security is a priority issue for EAS countries recognising that challenges including territorial and maritime disputes, piracy, trafficking in illicit materials and natural disasters can threaten regional peace, stability and prosperity. President Obama reaffirmed US national interests in the maintenance of peace and stability, respect for international law, unimpeded lawful commerce and freedom of navigation. He encouraged the parties to make progress on a binding code of conduct in the SCS in order to provide a framework for preventing conflict and managing incidents when they occur and help resolve disputes. The US has consistently worked with its partners in the Asia-Pacific region to build capacity and promote cooperation on maritime security issues.¹⁸

The third reason is China's central role in the ongoing formation of Asian regionalism. China sits at the centre of the region's production-sharing networks, absorbing parts, components and raw materials from its Asian neighbours. It is also a significant buyer of other countries' consumer goods. It is already the economic driving force in the region and aims to acquire a political weight that matches its economic influence.¹⁹ The US is worried about China's such rise. China's meteoric rise in economic heft, military muscle and political clout over the past three decades is noteworthy. This rise has also shaped East Asia's post-Cold War geo-political landscape. Far from being a constraint from China's rise, the strong US-Japan alliance has been crucial. The alliance has a stake in China's success. However, the lack of transparency and ambiguity as to how China intends to use its newfound power to reinforce existing international norms, to revise them according to Beijing's national interest or both is an area of growing concern.²⁰

¹⁷ Hilary Rodham Clinton, "America's Pacific Century", *op. cit.*

¹⁸ "Fact Sheet: East Asia Summit Outcomes", *op. cit.*

¹⁹ Wang Jiang Yu, "China and East Asian Regionalism", *European Law Journal*, Vol. 17, No. 5, September 2011, pp. 611-629.

²⁰ Joseph S. Nye Jr. and Richard L. Armitage, "The US-Japan Alliance: Anchoring Stability in Asia", *CSIS Report*, August 2012.

The US has a close eye on EAS as it includes Asia's major powers like China, Japan, Korea and India. On the other hand, inclusion of political and security issues in the agenda setting is the prime objective of the US engagement in EAS. Capie and Acharya²¹ argued that EAS historically had five priority areas for cooperation: finance, education, avian flu, disaster management and climate change. The US wants to include new issues e.g., maritime security, disaster and humanitarian response and non-proliferation. The issues are more or less related not only with security but also with Chinese sensitivity. The US has already raised these in EAS meeting.²² Finally, the big and important question behind the US pivot to Asia is of course how to deal with China. Every US move to EAS thus seems to be centred on potential China threat.

4. Chinese Diplomacy and Reaction to US Engagement in the EAS

China's reaction and diplomacy were reflected in the statements of Premier Wen Jibao and Vice Minister Yi Xiaozhun regarding what states ought to be included within the East Asian regional community. China prefers ASEAN+3 (China, Japan and Korea). It has reluctantly accepted participation of India, Australia and New Zealand but would not welcome inclusion of other countries outside the region such as the US and the EU.²³ Chinese government has also been wary of the US pivot to Asia strategy, its role in EAS agenda setting and more clearly, the ongoing maritime disputes between China and its Asian neighbours. Concern and position of the US regarding maritime security in SCS mostly worried China who never wants those disputes to be discussed in regional fora. However, the US, many Southeast Asian and other countries consider the issue to be addressed in the EAS as it is central to regional peace and security. China has resisted calls to deal with these in a multinational setting, preferring to deal with individual countries separately.²⁴

The US wants an international code of conduct concerning the disputed body of water, apparently as a check on Chinese territorial claims with Vietnam and the Philippines. Japan, which has its own dispute with China over the Japanese-administered Senkaku Islands in the East China Sea, also backs the US effort. China is keen to resist any attempts by the US to get more deeply involved in SCS, as Beijing has long advocated to address territorial disputes there with each of the claimants one by one. Before the EAS summit 2011, Chinese Vice Foreign Minister Liu Zhenmin said at a briefing that China hoped SCS would not be discussed at the EAS. He pointed out that China's position on the SCS issue was consistent and clear. Dispute over that sea should be solved by directly related sovereign states through friendly consultations and negotiations.

²¹ David Capie and Amitav Acharya, *op. cit.*

²² *Ibid.*

²³ Wang Jiang Yu, *op. cit.*

²⁴ "China and US Leaders Talk during East Asia Summit", available at <http://ntdtv.org/en/news/china/2012-11-20/china-and-us-leaders-talk-during-east-asia-summit.html>, accessed on 20 January 2013.

China and ASEAN signed the Declaration on the Conduct of Parties in the SCS in 2002 confirming to promote pragmatic cooperation and ultimately reach a code of conduct in that area. This is the common aspiration of ASEAN members and China. China emphasises on economic growth of East Asia and Southeast Asia. The navigation freedom and security in the SCS are not affected by the dispute there at all. It is especially necessary for the EAS to keep its strategic forum's nature under the guidance of leaders and adhere to the theme of solidarity, development and cooperation in the current circumstances and not to deviate from this direction. Chinese Premier Wen says that outside forces should not, under any pretext, interfere in a regional fight over the control of the SCS.

At the 7th EAS in 2012, ASEAN leaders and conference member nations continued to be divided into China friendly and anti-China camps. Malaysian Prime Minister (PM) Najib Tun also used the meeting to state that SCS territorial disputes should not be internationalised, echoing the Chinese position and putting him quite suddenly in the China camp. After the conference, the pro-China deputy foreign minister of Cambodia said that ASEAN had agreed with the Malaysian PM's position. By choosing to keep SCS disputes as an in-house affair, ASEAN must be seen as moving to exclude the US - a development that also confuses US backing for the Philippines and Vietnam. In reaction to the US involvement, China made it clear that ASEAN should play a neutral role, be guided only by the principles of regional cooperation and regional economic integration.

5. The US-China's EAS Politics and Regional Competition

Primarily, US and China's regional grouping and politics in EAS are centred on two issues, i.e., security and formation of regional trade blocs like TPP and RCEP. After the US engagement in EAS, both countries are trying to dominate each other in the forum. The US initiated the domination in EAS bringing security issues like SCS first which is antagonistic to China's regional vision. Analysing US stands and Chinese response, their approach and role in EAS, it is observed that security issues are the prime concerns of both rivals in this regional forum. As part of that, the US has brought SCS issues and wants internationalisation of the code of conduct of maritime security issues. On the other hand, China is reluctant to internationalise it and argues it is a regional issue and will be solved regionally.

China is serious to contain US dominance in SCS. After being re-elected, President Obama first visited Myanmar, a country which is an ASEAN member and simultaneously, a big ally of China whom Myanmar always receives huge amount of economic and political support from. Its military regime has a historical relationship with China. China is keen to maintain stability in Myanmar especially along the routes of the 2,380 km pipeline from the port of Kyaukphyu to Kunming in Yunnan province and the 2,806 km pipeline from the port to Guizhou and Guangxi province. Before starting construction of the twin pipelines,

the ruling military regime had reassured China of Myanmar's stability and desires to ensure the security of these investments.²⁵ With such reality, just before EAS meeting in 2014, the US President's motive of visiting Myanmar was pressing and vital.

It might be said that the trip fitted into a larger geopolitical chess game by the Obama administration, which sought to counter China's assertiveness by engaging its neighbours. Actually in EAS, the US wants Myanmar on its side. Not only Myanmar, Obama also visited Cambodia, another host country of EAS meeting and a good ally of China, which is receiving huge amount of Chinese economic aid. For decades after the US bombing in Cambodia, a US president first visited the country. In EAS meeting, Cambodia strongly supported China's position on maritime security issues. In this pro-China and pro-US groupings, Obama remained calm and tried to exercise steady diplomacy. He did weigh in on those disputes but seemed careful not to agitate China. He refrained from displaying obvious support for allies like Japan, the Philippines and Vietnam. Instead, he urged Asian leaders to reduce tensions over the ongoing maritime territorial disputes.

5.1 *Regional Security Competition*

ASEAN is the driver or agenda-setter of EAS. Its traditional focus has been on education, finance and nontraditional security issues such as energy, disaster management, infectious diseases and food security. This emphasis was driven in part by unfolding events and in part by a desire of some members to avoid more controversial issues that might raise tensions. In 2011, ASEAN decided to place traditional security issues on the agenda and so in that year maritime security and nonproliferation were slated to be major topics of discussion. Therefore, the US diplomatically felt comfort to bring security issue like SCS in EAS agenda setting and security competition started there.

Since the last EAS meeting, it is perceived that in the name of economic cooperation, the two potential rivals have taken the security agenda as their prime area of concern and been trying to shape their foreign policy and diplomacy accordingly. ASEAN nations have already been divided into pro-US and pro-China camps. Chinese diplomacy, to a great extent, is focused on economic cooperation and wants to proceed steadily with security dialogue. However, the US' prompt role in EAS agenda setting and an effort to include security issues have changed environment of the institution influencing shift in Chinese diplomacy. In EAS, security issues have been a prime area of discussion and the directly visible pro-China and pro-US groupings are centred on security issues. China sees the maritime security and territorial dispute as regional matters and wants to solve through bilateral negotiation and attempts. However, the US wants an international code of conduct for the maritime security issues.

²⁵ Clifford McCoy, "China, Myanmar Reaffirm Strategic Vows", available at <http://www.atimes.com/atimes/China/L116Ad03.html>, accessed on 30 January 2013.

China's desire is regional influence, while the US desires not to accept any regional influence of China. Due to US involvement and intervention in regional issues, Chinese diplomacy is now conducted to make the ASEAN China friendly and that will support its bilateral solution policy at EAS meetings on maritime security and territorial disputes. In order to do that, China is committed to providing huge financial support to ASEAN nations. This policy is the prioritised one in Chinese EAS diplomacy. Simultaneously, the major shift of the US to East Asia has drawn the two rivals into regional competition. Both states are applying various strategies in the name of economic or regional cooperation in the region. In this competition, ASEAN as a growing and successful regional institution is considered as their base. Some diplomats of ASEAN argue that the group needs a balance. Otherwise, one country will dominate it. Evidence and recent trends demonstrate that the act of bringing such balance of influence of the two great powers invite them to a security competition in the region. Anyhow ASEAN is calling both powers to compete each other.

The obscure role of ASEAN may in future jeopardise its true goal and EAS is going to be the key institution. ASEAN is playing a dual role: first, it is supporting TPP excluding China and second, it is going to build another institution named RCEP excluding the US. Both are growing with direct and indirect patronisation of ASEAN. Consequently, regional security competition is fostering under the ASEAN framework and paves the way for new East Asian international order. Such EAS politics between the two great powers is also complicating diplomatic relations among East Asian nations at bilateral level and efforts to build multilateral frameworks in East Asia. The precursor of this kind of proposition is reflected in the US President's visit to Myanmar. Obama's first trip to several Asian countries including the first visit to Myanmar by a sitting US President exemplifies the new emphasis that is being placed on a region. The visit was significant in the context of ASEAN-centric inclusion-exclusion game between the two rivals. The situation is mostly like the Cold War era. Therefore, Obama's pivot to Asia strategy will form the cornerstone of American foreign policy in future.

The policy shift of the US and regional competition between the two rivals have affected global trade also. China's exclusion from the TPP is strange, given its huge economic presence in the Asia-Pacific region. Amitendu Palit, visiting Senior Research Fellow at the Institute of South Asian Studies at the National University of Singapore, argues that the US is driving TPP with the strategic objective of marginalising China. The big policy shift of the US and China's new EAS diplomacy are clear indication of security competition in the name of regional economic cooperation within the ASEAN framework. Although Chinese leaders still emphasise on economic cooperation, their move on de-internationalising maritime security issues and its EAS diplomacy will dominate regional politics. Regional peace and stability will be affected by this competition. The ASEAN's dual role will work as a prime impediment on the way of regional integration in Asia. Although EAS leaders are still giving joint statements after their gathering that they are working for greater economic cooperation and their role during meetings represent that a cold war has already begun between the great powers there.

The big policy shift of the US towards East Asia, having security issues in the EAS, China's EAS diplomacy and more importantly pro-US and pro-China groupings as well as friends making game between the two powers are clear indication of security competition that can be considered as the preparation of an another Cold War. In addition, the US attempts to include humanitarian response in the EAS meeting also create concern for China. China thinks humanitarian matters as their domestic issue and it is unwilling to make any deal with others. The potential China threat perception of the US and the Chinese fear of the US hegemony are now the prime determinants of the foreign policy and security strategy of the US and China respectively. Under this circumstances, no one can ignore their inside objectives that they are moving towards a security competition in the region. In this manifestation, regional security competition also has affected trade related areas. Thus, a Chinese proposal is widely supported by ASEAN leaders that a new regional trade bloc will be formed which will include all EAS members, excluding the US.

5.2 *EAS Led Trade Related Regional Competition in the TPP and RCEP*

Under the umbrella of EAS, US-China conflict began with SCS. However, within very short time, this conflict gave birth to another conflict related to regional trade. Trends of regional competition are extremely noticed between the US and China in trade within the ASEAN forum i.e., EAS. Both of them want a separate regional trade bloc excluding each other and it is extremely manifested in the formation of TPP and RCEP. TPP is an arrangement consisting of New Zealand, Chile, Brunei and Singapore founded in 2005. The US, Canada, Australia, Peru, Vietnam, Malaysia and Mexico since joined. The US is now patronising TPP and trying to influence EAS countries to join. However, it did not invite China. On the other hand, the ASEAN Summit of 2012 officially announced that they were going to form a new trade bloc named RCEP that would exclude the US.

Any competition under the two agreements may divide ASEAN members. Singapore, Malaysia and Vietnam may focus on promoting TPP to other Southeast and East Asian countries, while the rest of the ASEAN countries are likely to develop RCEP. TPP and RCEP may come into conflict due to the tension between the US and China, as each wants to shape economic cooperation in Southeast and East Asia in order to secure its economic interests. Consequently, rivalry between the US and China might become the predominant factor in how the regional economic architecture develops.²⁶ It is to note that the formation of this alternative bloc could undermine the influence and long-term involvement that the US seeks to gain, as part of the plan laid out by Secretary Clinton.²⁷ It also calls into question the truth of Clinton's claims of America's essential role in Asia - if the US is not included in the region's largest trade agreement, it cannot be too essential. Clearly, the subordination of the TPP to this newly announced trade bloc does not fit with the American objectives of leadership and engagement with the region. Perhaps, to

²⁶ Beginda Pakpahan, "Will RCEP Compete with the TPP?", *East Asia Forum*, 28 November 2012.

²⁷ Laurel Jarombek, "The East Asia Summit: Threats to the "Pivot"?", available at <http://twglobalist.org/the-east-asia-summit-threats-to-the-pivot/>, accessed on 25 June 2014.

China, a US-dominated trade agreement with so many of its neighbours looks a little too much like encirclement, providing impetus to form a separate and rival partnership. The following table shows comparison between TPP and RCEP.

Table 1: Comparison between TPP and RCEP	
TPP	RCEP
Aim: To establish regional Free Trade Area (FTA) that can tackle the challenges of 21 st century. It will follow World Trade Organization (WTO) approach and non-ASEAN way.	Aim: Integrated regional economic agreement deeper than existing FTA. It will follow ASEAN way.
Areas: Trade liberalisation in goods and services, investment, intellectual property rights, environmental protection, labour, financial services, technical barrier to trade and other regulatory issues.	Areas: Trade liberalisation in goods and services, investment, technical cooperation, intellectual property and dispute settlement.

Source: Compiled from different sources

In the TPP and RCEP politics between the two rivals, it is observed that China wants the ASEAN way of dispute settlement in the RCEP and the US prefers internationalisation of trade regulatory issues in WTO approach in the TPP. Both want to achieve almost same objectives from the two trade blocs but through two different ways and evidently their extreme rivalry and competition are manifested when China was not invited to TPP and the US was not to RCEP.

6. The Role of ASEAN in US-China Confrontation in the EAS

Although as an institution ASEAN's objective is regional economic cooperation, the involvement of two great powers with ASEAN framework has made matters more dynamic and complex. To a great extent, this framework is affected by politics of the two powers. Closer ties with the US and Russia would provide a balancing role as China's economic and military influence rises in the region. There must be a counterbalance, otherwise domination will continue to prevail. ASEAN can play a central role because it is a friend to all the major powers. Truly, it wants a balance of great powers and their influence in the region. Regarding the TPP and RCEP politics, the same ASEAN balancing role is found. Some ASEAN countries joined or committed to join TPP and simultaneously the ASEAN Summit in 2012 officially announced the formation of a new trade bloc RCEP excluding the US.

ASEAN's balancing role is also found in the EAS meeting in Nay Pyi Taw in 2014 where decisions on SCS were taken considering the inclination of the two rivals. In the Chairman's statement, President of Myanmar declared that enhancing maritime security was an important element in maintaining peace and stability in the region. ASEAN

underscores the importance of freedom of navigation, unimpeded lawful commerce as well as resolving disputes by peaceful means, without resorting to the threat or use of force in accordance with universally recognised principles of international law including the 1982 UNCLOS. In this regard, enhanced maritime cooperation is important and implementing the decisions of 3rd Expanded ASEAN Maritime Forum in Danang is vital. It is clear that EAS will emphasise on the internationalisation of the issue which is also the policy and strategy of the US. On the other hand, what is crucial is to welcome the progress on full and effective implementation of the Declaration on the Conduct (DOC) of parties in the SCS and Consultation on a Code of Conduct (COC) in the SCS. It also makes clear that the issue of SCS will be solved by concerned neighbours only who signed the DOC and COC.

The declaration and consultation of DOC and COC are important for the concerned parties of the SCS and these are the Chinese policy and strategy of solving disputes. It is necessary to mention here that the situation in SCS is on the whole stable and the freedom and safety of navigation in the region are ensured. China and ASEAN have had close dialogue and communication on effectively implementing the DOC and promoting maritime practical cooperation. Both have affirmed dual-track approach for dealing with SCS issues. Therefore, disputes are likely to be solved through negotiations and consultations by countries directly concerned. Consequently, peace and stability in the region are to be jointly upheld by China and ASEAN countries working together. China and ASEAN are agreed to actively carry out consultation on the basis of consensus in order to reach the COC within an earlier timeframe.

The conflicting dual strategy of the EAS on a sensitive disputable issue does not produce any strong argument in favour of solving the dispute peacefully. Rather, it will bring rival powers on the point of no return making them stronger on their own positions. Thus, in spite of having the balancing role of the ASEAN, a regional competition has been fostered in the ASEAN framework of cooperation. The involvement, influence and competition of the rival powers in the EAS may jeopardise the ASEAN way of cooperation in the region. Therefore, the sustainability of ASEAN's balancing role might be problematic in future. Such dual policy and division of the EAS will profoundly influence the centrality of ASEAN.

It is argued that both the US and China are important for ASEAN but the increased rivalry between them could place Southeast Asian countries in an awkward situation.²⁸ ASEAN aims to preserve its centrality to economic cooperation within Southeast and East Asia through initiatives such as the EAS and ASEAN+3. East Asian economic integration has been centred on ASEAN. In other words, powerful countries in the region, including China, Japan and South Korea, would allow ASEAN to sit in the driver's seat for Asian regionalism.²⁹ If it does not respond effectively to any potential

²⁸ Fenna Egberink and Frans-Paul van der Putten, "ASEAN, China's Rise and Geopolitical Stability in Asia", Clingendael Paper No. 2, Netherlands Institute of International Relations, 2011.

²⁹ Wang Jiang Yu, *op. cit.*

competition between the two rivals on conflicting issues like SCS, TPP, RCEP, etc., its role as a driving force in various regional arrangements is more likely to decline. US-China rivalry could also undermine the crucial role that ASEAN plays. Thus, ASEAN is in a dilemma.

7. Concluding Remarks

The paper demonstrates that under the institutional policies and patronisation of ASEAN, a regional competition between the US and China is more likely in East Asia as well as the Asia-Pacific region. In 2010, ASEAN officially agreed to invite the US to join EAS. Through the involvement in EAS in 2011, the US undertook a big policy shift in the region and China also has done the same in Asia. With the US involvement, EAS has been a forum of debate on issues of conflict between these two. India and Australia's participation in EAS added a new dimension in this regard. Nearly all Southeast Asian countries supported India's participation in EAS, seeing it as a useful counterweight to China's growing power. China has reluctantly accepted the participation of India, Australia and New Zealand in EAS but might not welcome inclusion of the US. Chinese government has been wary of the US pivot to Asia strategy and its role in the EAS as their primary objective is to bring security issues in the agenda setting of the EAS and more specifically, the ongoing maritime disputes between China and its Asian neighbors. Pro-US and pro-China groupings in EAS are thus observed noticeably.

The basic objective of ASEAN in EAS is to bring a balance so that China, a potential player in the region, cannot influence overwhelmingly in EAS. In addition, the US' high enthusiasm to include security issues like SCS in the agenda setting of EAS has a strategic nuance. The paper explains the US concern and position regarding maritime security in SCS as well as the worry of China about the issue. It analyses that Chinese policy regarding the sea is incongruous with its potential rival, the US. It also justifies the reasons of the US interests, involvement in EAS, further arguing that EAS has been a suitable forum to pursue the US interests in the region and explaining ASEAN's policy in EAS.

Regional competition is largely influenced by security issues. It also affects trade issues. ASEAN officially announced the formation of a new trade bloc like RCEP, where the US was not invited to join. It is enthusiastically embraced by China. By contrast, TPP officially aims to further liberalise trade in the Asia-Pacific in which the US is the driving force and China is not a part of it. An EAS patronised regional competition largely influenced by security issues is also affecting trade related issues. The paper shows that the balancing role ASEAN is playing sometimes is taking dual policy. This dual role and inclusive character of ASEAN are incongruent with the policy of amity and regional cooperation, as it is patronising a security competition between the US and China.