

China's Approach toward ASEAN and Its Implications for South Korea^{*}

Jaeho Hwang^{**}
Hyoung-kyu Chey^{***}

- I. Introduction
- II. The growing importance of ASEAN for China
- III. The development of China-ASEAN relations
- IV. China's objectives and potential obstacles
- V. The impact on Korea of China's approach to ASEAN
- VI. Conclusion

As the economic and political importance of ASEAN has grown significantly in East Asia in recent years, China has been making substantial efforts to strengthen its relationship with ASEAN, reshaping the regional order. This paper first examines China's active approach toward ASEAN in recent years with a focus on economic and security cooperation, and analyzes China's objectives in it and potential obstacles that China may face. Second, this research studies the impacts of China's recent approach toward ASEAN on neighbor countries, in particular South Korea. This paper argues that China's efforts to strengthen its relations with ASEAN has an adverse effect on South Korea's foreign economic policy toward East Asia and that they may place the country in an uneasy strategic position between China and the United States and also between China and Japan.

Key Words: China, ASEAN, ASEAN+1, FTA, Regional Cooperation

* The views expressed in this article are those of the authors and do not represent those of their institutions.

** Research Fellow, Korea Institute for Defense Analyses.

*** Economist, Institute for Monetary and Economic Research, the Bank of Korea.

I. Introduction

Most South Koreans tend to perceive the People's Republic of China (hereafter, China) as a Northeast Asian country. However, China conceives of itself and behaves as an Asian country rather than as a Northeast Asian country. Indeed, China borders most Asian countries, including South Asian countries such as India and Nepal, Central Asian countries such as Kazakhstan and Kyrgyzstan, Southeast Asian countries such as Vietnam and Laos, and Northeast Asian countries such as South Korea, North Korea, and Japan. All the countries in all those regions perceive China as an important intra-regional country that affects their own national interests. In fact, even though the issue of North Korea's nuclear weapons is a matter of cardinal importance for South Korea (hereafter, Korea), it is only one of various security issues for China; other Asian countries also carry issues that can affect the security of China. Thus, in order to have a thorough grasp of its own interests in Asia, Korea should expand its understanding of China's foreign policies beyond the Northeast Asian region. In particular, Korea needs to pay keen attention to China's positive approach toward the Association of Southeast Asian Nations (ASEAN) in recent years,¹⁾ because it has a significant impact on Korea's own economic and security interests.

Why has China been actively approaching ASEAN in recent

1) At the ASEAN-China summit in 2006, which marked the fifteenth anniversary of the establishment of the ASEAN-China dialogue, Chinese Premier Wen Jiabao spoke, "China-ASEAN relations are a fine example of friendly exchanges between countries in this region. They have brought real benefits to the peoples of China and ASEAN countries and made important contributions to peace, stability and prosperity in Asia and the world at large" (Wei 2006, 16).

years? Which policies has China been implementing toward ASEAN to develop their relations?²⁾ What is the effect of the policies on Korea? This article, firstly, analyzes China's foreign policies toward ASEAN in the economic and security areas in recent years. Secondly, this research studies their effects on Korea's foreign policy in the same areas.

This article proceeds as follows. The following section analyzes the development of ASEAN and its importance for China. Section III examines recent progress in the relations between China and ASEAN. In Section IV, the objectives of China's recent approach toward ASEAN and the factors that might hinder China in achieving them will be analyzed. Section V discusses the impacts of China's recent approach toward ASEAN on Korea. The final section offers conclusions.

II. The growing importance of ASEAN for China

The importance of Southeast Asia on the world order has increased without precedent as countries in the region have developed a regional community and, as a result, been able to expand their power as a group.³⁾ The core of the Southeast Asian

2) For recent literature on China-Southeast Asia relations, see, for example, Cai (2003), Ku (2006), Park (2005), Vatikiotis (2003), Wei (2005), Wong *et al.* (2006), and Zheng (2006).

3) For recent literature on Southeast Asia's regional relations, see, for example, the June 2006 special issue of *The Pacific Review* on Southeast Asia's regional relations.

regional community is ASEAN, the aims of which are to accelerate economic growth, social progress and cultural development in the region and to promote regional peace and stability. ASEAN was created by Indonesia, Malaysia, Philippines, Singapore, and Thailand in August 1967. Since then, ASEAN has successfully expanded its membership; Brunei joined it in January 1984, Vietnam in July 1995, Laos and Myanmar in July 1997, and Cambodia in April 1999. As a result, ASEAN has become a regional community whose members encompass all Southeast Asian countries except East Timor, which has become independent from Indonesia in 2003. ASEAN region's population is about 500 million, its combined gross domestic product (GDP) is US\$700 billion, and its total trade is about US\$850 billion (ASEAN Secretariat 2006).

Southeast Asian countries began to discuss the path of the future development of ASEAN in the late 1980s after conflicts between ASEAN and Vietnam were resolved by the end of the Cold War and a new international economic order emerged due to globalization and growing regionalism. As a consequence, at the fourth ASEAN Summit in Singapore in January 1992, ASEAN countries signed the Singapore Declaration, the Framework Agreement on Enhancing ASEAN Economic Cooperation, and the Agreement on the Common Effective Preferential Tariff Scheme. These agreements aimed to reconfirm ASEAN as the key institution for regional cooperation in Southeast Asia and to strengthen political ties and economic cooperation among Southeast Asian countries.

In 1994, ASEAN countries established ASEAN Regional Forum (ARF) to promote peace and mutual trust in the region.⁴⁾ ASEAN Summit, which was held only four times from 1967 to 1992, started

being held annually. In 1997, on the thirtieth anniversary of ASEAN, ASEAN countries adopted ASEAN Vision 2020, under which they agreed on a shared vision of ASEAN as a concert of Southeast Asian countries, and established ASEAN+3 with China, Japan, and Korea.⁵⁾ Since then, ministerial meetings in the areas of foreign affairs, finance, and trade, as well as summit, among these countries have been regularly held. In addition, central bank governors and other high-ranking officials in the countries have held meetings periodically.

In 1999, the leaders of ASEAN+3 countries expressed a strong willingness for East Asian regional cooperation by adopting a Joint Statement on East Asian Cooperation. In 2000, the finance ministers of ASEAN+3 countries adopted the Chiang Mai Initiative, which was the first significant regional financial arrangement to enable countries to cope with disruptive capital flows and maintain exchange rate stability.⁶⁾ In 2003, ASEAN countries agreed to establish an ASEAN Community, which would consist of an ASEAN Security Community, ASEAN Economic Community, and ASEAN Socio-Cultural Community. In 2004, to develop ASEAN+3 further, ASEAN+3 countries agreed to open an East Asia Summit (EAS), which aimed at building a new East Asian regional community, in the following year.

As scheduled, the first EAS was held in 2005. At the summit, ASEAN countries confirmed that ASEAN+3 would be the main

4) For an analysis of the ARF, see Heller (2005).

5) For ASEAN Vision 2020, see the website of ASEAN Secretariat (<http://www.aseansec.org/1814.htm>).

6) For more on the Chiang Mai Initiative, see Park *et al.* (2005).

institution for East Asian cooperation and for building an East Asian community, and China, Japan, and Korea decided to participate in regional cooperation more actively. The countries also agreed to issue a second Joint Statement on East Asia Cooperation in 2007, which would be the tenth anniversary of ASEAN+3, to establish the future direction for an East Asian community and to consolidate ASEAN+3. Three non-East Asian countries – Australia, New Zealand, and India – were invited to this summit as new members.

Such dynamic changes in Southeast Asia have led China to pay greater attention to the region and to attach more importance to the region in its foreign policy for the following reasons. One important reason is that more than thirty million overseas Chinese reside in Southeast Asia (two million in Singapore, five million in Thailand, five million in Malaysia, and eight million in Indonesia). The capital of these overseas Chinese has played a salient role in economic development in China since the opening of its markets, and it still wishes to attract investment by overseas Chinese. Therefore, it is critically important for China to keep a stable political relationship with ASEAN.

Another reason is that the seaborne energy resources necessary for China's economic growth pass through Southeast Asian waters such as the Malacca, Sunda, Lombok, and Makassar Straits, as well as the South China Sea (Vaughn *et al.* 2006, 19-20). Given that China's economic growth relies heavily on the import of energy resources,⁷⁾ China needs to secure this shipping lane. In short,

7) China is the world's second largest importer of oil and consumes half the world's cement, a third of the world's steel, a quarter of the world's copper, and a fifth of the world's aluminum. Moreover, China's oil imports are expected to increase

Southeast Asia is a region that has a significant impact on China's energy security.

In addition, ASEAN countries already launched an ASEAN Free Trade Agreement (FTA) that became fully operational in 2003, even though skeptics argued that ASEAN was not an ideal region for economic integration because of the disparity of economic development among ASEAN countries. Under the ASEAN FTA, tariffs on goods traded within the ASEAN region were to be reduced to 0 to 5 per cent by 2002/3 (by 2006 for Vietnam, by 2008 for Laos and Myanmar, and by 2010 for Cambodia).⁸⁾ In these circumstances, it has become salient for China to secure favorable access to ASEAN markets for its economic growth.

Moreover, since the end of the Cold War, ASEAN has led the establishment of the major East Asian international institutions such as the ARF, ASEAN+3, and the Asia-Europe Meeting, while it has expanded its own membership. As a result, the status of ASEAN in the international community has been rapidly rising. This has led China to take a serious view of ASEAN.

Finally, one of China's key national aims is to obtain the status of superpower through the modernization of the nation, and, for China to concentrate on this task, it needs to maintain a stable security environment in its neighboring regions (Yan 2004).⁹⁾

from 6.2 million barrels of oil per day (bbl/d) in 2004 to 12.7 million bbl/d in 2020 (Vaughn *et al.* 2006, 19-20).

8) On the ASEAN FTA, see the website of ASEAN Secretariat (<http://www.aseansec.org/economicafta.htm>).

9) For a discussion on the rise of China's power, see Wang (2004) and Medeiros (2003)

China's traditional foreign strategies since its modern establishment could be characterized as "*Taoguang Yanhui*," which means "to conceal capabilities and avoid the limelight until the time is ripe," and "*Yousuo Zuowei*," which means "to make contributions when necessary." However, since Hu Jintao took office in 2003, China's foreign strategies have changed to "*Heping Jueqi* (peaceful rise)," which refers to the idea of China's peaceful rise as a powerful country, and then to the current "*Hexie Shejie* (harmonious world)," which refers to the idea of constructing the world's common prosperity through multilateral approaches. In this regard, to secure an amicable relationship with ASEAN countries has become a necessary part of China's foreign strategies.

III. The development of China-ASEAN relations

The growing strategic importance of ASEAN has led China to implement positive foreign policies toward it. China's subsequent build-up of amicable relations with ASEAN is generally assessed as one of China's most successful foreign policies (Shutter and Huang 2007, 78).

Economic cooperation is the area where China's foreign policy toward ASEAN has been most active. Over the past fifteen years, bilateral trade between China and ASEAN countries increased more than 20 per cent annually. As a result, the volume of China-ASEAN trade reached US\$130 billion in 2005, roughly fifteen times that in 1991, when China established diplomatic ties with all ASEAN

countries (Chinese Government 2006a). China and ASEAN are currently each other's fourth largest trading partners. ASEAN is China's fourth biggest export market and third largest source of imports. Cooperation in investment between China and ASEAN countries has also expanded: ASEAN countries invested US\$40 billion in China by the end of June 2006, whereas Chinese investment in the countries reached US \$158 million by 2005 (Chinese Government 2006b).

One of the most dynamic components of the rapidly-developing economic cooperation between China and ASEAN is the ASEAN-China FTA (hereafter ACFTA).¹⁰⁾ At the fourth ASEAN-China Summit in Singapore in November 2000, China emphasized that it was dedicated to developing a good partnership with ASEAN and put forward a basket of proposals on strengthening cooperation with ASEAN, including the formation of the ACFTA.¹¹⁾ In the summit, China also proposed to establish an expert group for ASEAN-China economic integration, which would discuss how to strengthen economic cooperation (Ministry of Foreign Affairs of China 2000). At the fifth ASEAN-China Summit in Brunei in November 2001, China made a formal proposal for the establishment of the ACFTA within ten years, suggesting that China would grant special tariff treatment to three least developed ASEAN countries (Laos, Cambodia, and Myanmar) (Zhu 2001).

10) For a Chinese view of ACFTA, see Qiu (2004). Since the Asian financial crisis of 1997, China has actively adopted FTAs to increase its economic stability and the openness of its markets (Yeo 2006, 46).

11) In the summit, then Chinese Premier Zhu Rongji proposed, "China and ASEAN can explore in the long run the establishment of a free trade relationship between them" (Ministry of Foreign Affairs of China 2000).

As a result, at the sixth ASEAN-China Summit in Phnom Penh, Cambodia, in November 2002, China and ASEAN signed the Framework Agreement on Comprehensive Economic Cooperation Between ASEAN and China, under which the two parties agreed to negotiate expeditiously to establish an ACFTA covering trade in goods by 2010 between China and the six older ASEAN countries and by 2015 between China and the four newer ASEAN countries.¹²⁾ The Framework Agreement included the Early Harvest Program, which was an effort to facilitate the birth of the ACFTA by allowing ASEAN countries to attain early access to China's huge domestic market prior to the establishment of the ACFTA by reducing tariffs on agricultural products; given that China's agricultural products were not price-competitive against ASEAN countries', the program was largely a Chinese concession to give early free trade benefits to ASEAN countries (Cheng 2005, 281). China and ASEAN countries began the implementation of the program in January 2004, reducing tariffs on more than 500 agricultural products (*People's Daily Online* October 27, 2006).

At the eighth ASEAN-China Summit in Vientiane, Laos, in November 2004, China and ASEAN signed the Agreement on Trade in Goods of the Framework Agreement on Comprehensive Economic Co-operation between ASEAN and China, which began a reduction in tariffs on more than 7,000 products.¹³⁾ In July 2005, the agreement came into effect, and the two parties began cutting tariffs

12) The Framework Agreement is available at the website of ASEAN Secretariat (<http://www.aseansec.org/13196.htm>).

13) The agreement is available at the website of ASEAN Secretariat (<http://www.aseansec.org/4979.htm>).

on the products (*People's Daily Online* October 27, 2006).¹⁴⁾

Under the ACFTA, China and the six older ASEAN countries will impose zero tariffs on more than 7,000 products by 2010, and China and the four newer ASEAN countries will do the same by 2015 (Chinese Government 2006a).¹⁵⁾ Once completed, the ACFTA zone is expected to become an economic area of 1.7 billion consumers, with US\$2 trillion worth of GDP and a trade volume of US\$1.2 billion, emerging as the world's third-largest free trade area after the European Union (EU) and the North American Free Trade Agreement (NAFTA). China's exports to ASEAN are expected to increase by US\$10.6 billion, or 55 per cent, and its imports from ASEAN are expected to rise by US\$13 billion, or 48 per cent (Ministry of Commerce of China 2003). As a result, China is expected to be the biggest trading partner for ASEAN countries by 2009, surpassing the United States (*The Hankyoreh* November 1, 2006).

China has also promoted cooperation with ASEAN in the area of security. In 1991, as mentioned above, China established diplomatic ties with all ASEAN countries. In 1992, China attended a Post Ministerial Conference. In 1994, China became a member of the ARF. In 1997, China and ASEAN opened the first ASEAN-China Summit. At that first meeting, then Chinese President Jiang Zemin made a speech entitled "Establish Good-Neighborly Partnership of Mutual Trust Oriented to the 21st Century." After the summit, the

14) China and ASEAN signed a joint statement to reaffirm their intention to build the ACFTA by 2010 (Chinese Government 2006b).

15) China and ASEAN are currently carrying on negotiations in the fields of service and investment.

two sides issued a joint declaration, establishing guidelines for their relationship and common policies of a good-neighborly partnership of mutual trust in the future (*People's Daily Online* October 29, 2006). At the sixth ASEAN-China Summit in November 2002, China and ASEAN issued the Joint Declaration of ASEAN and China on Cooperation in the Field of Non-Traditional Security Issues and signed the Declaration on the Conduct of Parties in the South China Sea, as well as the Framework Agreement on Comprehensive Economic Cooperation between ASEAN and China.¹⁶⁾

At the seventh ASEAN-China Summit in October 2003, China became the first non-ASEAN country to join the Treaty of Amity and Cooperation in Southeast Asia, demonstrating a notable enhancement of the political trust between China and ASEAN. During the summit, China and ASEAN also issued a joint declaration to develop their relationship from “a good-neighborly partnership of mutual trust” to “a strategic partnership for peace and prosperity.” In the declaration, the two parties agreed to develop their security cooperation in three ways: to expedite the implementation of the Joint Statement of Cooperation in the Field of Non-Traditional Security Issues and actively expand and deepen cooperation in such areas; to hold, when appropriate, ASEAN-China security-related dialogue to enhance mutual understanding and promote peace and security in the region; and to implement the Declaration on the Conduct of Parties in the South China Sea by discussing and planning ways, areas and projects for follow-up actions.¹⁷⁾

16) For conflicts in the South China Sea, see Buszynski (2003).

17) The declaration is available on the website of ASEAN Secretariat

At the eighth ASEAN-China Summit in 2004, China and ASEAN issued plans of action to implement the joint declaration of 2003.¹⁸⁾ At the informal ASEAN-China ministerial meeting in November 2005, China and ASEAN agreed to enhance maritime security cooperation against piracy activities in the Malacca Strait and the South China Sea. In July 2006, China and ASEAN agreed to increase humanitarian military cooperation, by means such as United Nations Peacekeeping Operations and actions against terrorism. At the ASEAN-China Summit in October 2006 at Nanning, China and ASEAN also agreed to denuclearize the Southeast Asian region, to jointly develop the South China Sea, and to hold regular security dialogues for regional security.

IV. China's objectives and potential obstacles

The fast-growing cooperation between China and ASEAN is largely attributable to Chinese efforts. Indeed, as shown in the Early Harvest Program, China has sometimes born high costs to develop a stable relationship with ASEAN.¹⁹⁾ Why has China approached ASEAN so actively in recent years?

(<http://www.aseansec.org/15265.htm>).

18) For details of the plans, see the website of ASEAN Secretariat (<http://www.aseansec.org/16805.htm>).

19) In October 2006, Chinese Commerce Minister Bo Xilai said, "I hope China's vast market could bring benefits to companies in ASEAN" despite China's trade deficit of US\$20 billion with ASEAN countries in 2005 (*People's Daily Online* October 31, 2006).

China has several economic motivations to enhance cooperation with ASEAN. China can cope with the protectionism that might be exerted by NAFTA and the EU by facilitating the creation of a regional economic zone in East Asia. In 2004, the aggregate GDP in ASEAN+3 amounted to 19 per cent of world GDP, and the trade volume in the area reached 20 per cent of world trade. The aggregate GDP of EAS countries accounted for 22 per cent of world GDP and world trade in that year. Given the economic size of East Asia, the region can become one of three pillars in the world economy, competing with NAFTA and the EU. Therefore, the establishment of an East Asia economic zone can provide China with a competitive regional economic bloc favorable to it.

Moreover, China expects to gain an advantage over the United States and Japan in the competition to take the leadership in economic cooperation in East Asia by establishing an FTA first with ASEAN within the framework of ASEAN+3. The ACFTA can help China restrain the United States and Japan and strengthen its voice in promoting East Asian economic cooperation.²⁰⁾ Also, given the large aggregate economic size of ASEAN countries, China's economic cooperation with ASEAN can allow China to diversify its major trade partners, reducing its reliance on specific countries or regions, such as the United States or the EU, for its economic growth. The ACFTA also helps China secure its imports of energy resources from ASEAN countries. In addition, the ACFTA helps China preoccupy ASEAN markets, which have strong potential for high growth, and, therefore,

20) For an analysis of East Asian regionalism after the Asian financial crisis of 1997, see, for example, Bowles (2002), Dieter *et al.* (2003), Hamilton-Hart (2003), Hund (2003), Kim *et al.* (2005), McDougall (2002), and Soesastro (2006).

the ACFTA is expected to strengthen the competitiveness of the Chinese economy.

Security factors also explain China's active approach to ASEAN in recent years. ASEAN can become an important pillar in an international system that consists of one superpower, i.e., the United States, and several powerful countries or regional powers, such as the EU, Japan, Russia, China, India, etc. (Kim 2003, 8; Kuik 2005). Therefore, China can strengthen its influence in the international system by increasing its influence in Southeast Asia, as well as in Northeast Asia and Central Asia.

China can also rely on ASEAN in countering the United States-Japan alliance. China believes that the United States and Japan are trying to put pressure on China by strengthening their alliance. In addition, China understands that the United States intends to create an Asian version of NATO (North Atlantic Treaty Organization) with its allies (Japan, Korea, Australia, New Zealand, and the Philippines) and those countries that maintain security cooperation with it (Thailand, Singapore, Malaysia, India, Pakistan, Kazakhstan, Uzbekistan, and Mongolia). Accordingly, to counter such a threat, China intends to lead the creation of a regional institution that excludes the United States in advance. In this plan, ASEAN can be China's most relevant partner (Bae 2005a, 10-11).

Furthermore, China can isolate Taiwan in East Asia by developing cooperation with ASEAN. China's official stance toward Taiwan is that it does not decline to use force toward the island, as shown by the fact that China adopted the Anti-Secession Law at the tenth National People's Congress in March 2005.²¹⁾ Taiwan has endeavored to increase economic cooperation with Southeast Asian

countries to find a way out of its isolation in the region. In this situation, economic integration between China and ASEAN is likely to restrain the influence of Taiwan. Finally, Southeast Asian countries strongly feel the “China threat” due to China’s fast economic growth, growing military power and hawkish stance toward Taiwan. In these circumstances, China needs to develop its relationships with ASEAN countries in full measure to dissolve their fear of its rise and to enhance their trust in it (Yoon 2006, 14-15).

There are, however, a number of obstacles that China should overcome to achieve its objectives in approaching ASEAN. Firstly, China’s economy and ASEAN countries’ are competitive rather than complementary, given that both China and ASEAN countries have labor-intensive economic structures based on manufacturing, and their major export markets are almost identical (the United States, the EU, etc.). As a result, despite their economic integration, competition between Chinese and ASEAN countries is almost inevitable. Therefore, negative effects in their domestic economies that might arise from their competition may hinder their increasing economic cooperation (Jun 2003, 144-146).

Secondly, although ASEAN strengthens economic cooperation with China, it is also likely to make efforts to lead the cooperation. Indeed, even though ASEAN has been able to obtain substantial gains from the ACFTA, it has been discussing FTAs with other East Asian countries, including Korea and Japan, to prevent China’s economic influence in the region from growing too large. ASEAN

21) The full text of the Anti-Secession Law is available at
<http://english.peopledaily.com.cn/200503/14/eng20050314_176746.htm>.

is also considering strengthening its economic cooperation with non-East Asian countries such as India, Australia, and New Zealand (Kwon 2004a, 32-33).

Thirdly, ASEAN countries' fear of the "China threat" could curb China's cooperation with them. ASEAN countries are worried that China's growing military power could disturb the security and stability of Southeast Asia. The issue of sovereignty over the Spratly Islands (Nansha Islands) in the South China Sea lies at the centre of ASEAN countries' fear of China (Lee 2002; Han 2002, 383). The Spratly Islands carry a significant geo-strategic value to connect East Asia and India, as well as a substantial economic value in fisheries and other natural resources in the region. China has refused to tolerate other countries' challenges to its sovereignty over the Spratly Islands, although it is willing to discuss cooperative development of the resources in the region. However, ASEAN has countered China by bringing the problem of the Spratly Islands up to the ARF (Lee 2003, 34). Therefore, even though China and ASEAN countries signed the Declaration on the Conduct of Parties in the South China Sea, the problem of the Spratly Islands will probably cause conflict between China and ASEAN.

Fourthly, Japan's attempt to increase its influence in Southeast Asia can affect adversely the relationship between China and ASEAN. Since the 1980s, Japan has endeavored to raise its influence in Southeast Asia by providing the region with economic support, such as foreign direct investment and foreign aid. In fact, Japan has traditionally preferred an open regionalism such as Asia-Pacific Economic Cooperation (APEC) to East Asian regional cooperation in a narrow sense (Bae 2005a, 12).²²⁾ However, as China has strengthened its

efforts to approach ASEAN by establishing the ACFTA, for example, Japan has also made efforts to strengthen its relationship with ASEAN, including its agreement with ASEAN in 2002 on the creation of an FTA by 2012. As a result, China is likely to confront Japan in the competition to take the lead in Southeast Asia.

Finally, the United States' policy toward Southeast Asia could be a critical obstacle to China in achieving its objectives in approaching ASEAN (Han 2004). Although the importance of ASEAN in US foreign policy is not so high, Southeast Asia is a useful region for the United States in constraining China. The key interests of the United States in the region include the promotion of stability and balance of power with the strategic objective of keeping the region from being dominated by any hegemon, the prevention of being excluded from the region by another power or group of powers, and support for treaty allies and friends, as well as freedom of navigation and protection of sea lanes, trade and investment interests, the promotion of democracy, rule of law, human rights and religious freedom, and preventing the region from becoming a base of support for terrorists (Vaughn *et al.* 2006, 4). Accordingly, the United States intends to hold the leadership in the regional community in Southeast Asia. For this purpose the United States intends, on the one hand, to strengthen bilateral relationships with Southeast Asian countries, for example, by establishing FTAs with individual countries. At the same time, the United States intends to enhance multilateral activities that include it, such as the APEC. These policies by the United

22) For the rivalry between China and Japan in Southeast Asia, see Lincoln (2006, 2-4).

States are designed to increase its military as well as economic ties with Southeast Asian countries.²³⁾

ASEAN countries have to some extent responded to the strategies of the United States positively as they seek for equidistance diplomacy between the United States and China due to their doubts on China's intentions (Yin 2004, 25). Indeed, although ASEAN countries wish to enhance economic cooperation with China, most of them expect the United States to play an active role in security for the region, including the role of balancer on the issue of the Spratly Islands. As a result, in an implicit agreement with ASEAN countries, the United States has been trying to prevent the emergence of a situation in which China competes against the United States using Southeast Asia as a strategic partner. Accordingly, ironically, the more relations between China and ASEAN develop, the more important the role of the United States as ASEAN's strategic partner becomes (Simon 2006).

V. The impact on Korea of China's approach to ASEAN

Although China's approach toward ASEAN has to overcome a number of difficulties before it can achieve its objectives, it already has substantial effect on Korea's policy toward ASEAN. ASEAN is an economically salient region for Korea, as it is for China;²⁴⁾

23) The US Congress appropriated US\$6 million for military equipment and training for Indonesia in 2007, and the United States began to supply spare parts for Indonesia's F-5 and F-16 jet fighters (Simon 2006, 3).

ASEAN was Korea's fifth largest trading partner, accounting for more than 10 per cent of its total trade, its third biggest foreign investment region, and its second largest foreign construction market in 2003 (Ministry of Foreign Affairs and Trade of Korea 2004, 129-136). In these circumstances, China's economic policy toward ASEAN has a significant effect on the Korean economy and also on Korea's key foreign economic policy objective of becoming the hub for East Asian economic integration. China's recent approach toward ASEAN could also affect Korean-United States relations, which are the core of Korea's security diplomacy, and could also cause difficulty in Korea's relations with China and Japan as they compete to take the lead in Southeast Asia.

The first major effect on Korea of China's recent economic policy toward ASEAN is that it could reduce Korean firms' competitiveness in the Chinese and ASEAN markets, which are their main export markets.²⁵⁾ In 2010, when the ACFTA becomes completed, Korean firms selling major export items such as petrochemicals, plastics, textiles, footwear, and electronic goods in the Chinese and ASEAN markets will face a tariff rate more than 10 percentage points higher than the rate applied to Chinese and ASEAN firms. Thus, there is a strong likelihood that Korean firms' competitiveness for those items

24) The relationship between Korea and ASEAN has been persistently developed since 1989, when the two parties established a Dialogue Partnership. For the development of the relationship between the two parties, see Ministry of Foreign Affairs and Trade of Korea (2004, 101-146).

25) For an analysis of the impacts of the ACFTA on Korea's exports, see Ministry of Commerce, Industry and Energy of Korea (2005a, 2005b) and Korea Trade-Investment Promotion Agency (2005). For an analysis of the effects of East Asian economic integration on the industrial structure of Korea, see Kim (2006a).

will decline in the markets. In particular, according to an analysis by the Korea Trade-Investment Promotion Agency (2005), Korean firms' competition with Chinese firms in ASEAN markets is likely to become more severe than their competition with ASEAN firms in Chinese markets.²⁶⁾ Indeed, as the ACFTA was established, Korean businesses, government officials, and scholars began to worry that it would cost Korea its major export markets. Therefore, they proposed to increase Korean firms' competitiveness by creating a Korea-ASEAN FTA (KAFTA) with even greater trade liberalization than the ACFTA planned to adopt.²⁷⁾

In addition, the ACFTA is likely to have an adverse impact on Korea's plan to play a key role in East Asian economic integration. Korea has been actively negotiating FTAs since the early 2000s, and one of its ultimate objectives is to develop the country as the hub of an East Asian FTA network.²⁸⁾ This policy objective is linked to the Korean government's policy to develop Korea as a key nation in the East Asian economy (Ministry of Finance and Economy of Korea 2005b). However, as mentioned above, China also aims to take the lead in East Asian economic cooperation through the

26) In fact, while Korea agreed with ASEAN to establish an FTA, it is reluctant to create an FTA with China despite China's strong courtship. For an analysis of the negotiations for an FTA between Korea and China, see Choe (2007).

27) See Cheng (2005, 299), Cheong *et al.* (2003), Korea Trade-Investment Promotion Agency (2005), and Kwon (2004b).

28) Given the Korean economy's heavy reliance on foreign trade, the Korean government has strongly perceived that Korea needs active trade strategies for its economic growth. As a result, as FTAs have mushroomed around the world in recent years, the Korean government has made every effort to establish FTAs in order to secure export markets and strengthen the competitiveness of the Korean economy. For Korea's FTA policies, see Choi (2006), Lee (2005), and Ministry of Finance and Economy of Korea (2005a).

ACFTA. Therefore, the ACFTA could conflict with Korea's plan to take the lead in economic cooperation in the East Asian region.

These circumstances led the Korean government to sign the Agreement on Trade in Goods under the Framework Agreement on Comprehensive Economic Cooperation among the Governments of the Member Countries of ASEAN and Korea, which is a key part of KAFTA, in May 2006, as a means to preoccupy growing ASEAN markets before China (and Japan) can take over (Ministry of Finance and Economy of Korea 2005a).²⁹⁾ Indeed, while the actual level of liberalization for key trade products such as automobiles and steel is not high in the ACFTA, the KAFTA requires a greater level of liberalization for such products (Choi 2006). Even though Korea began negotiating with ASEAN for an FTA three years later than China did, the KAFTA, like the ACFTA, will abolish tariffs for 90 per cent of goods by 2010 and will implement additional tariff reductions for "sensitive" goods by 2016, two years earlier than the ACFTA. Additionally, the KAFTA sets an interim target of the abolition of tariffs on 80 per cent of goods by 2009. These provisions in the KAFTA resulted from Korea's intention to preoccupy Southeast Asian markets by accelerating and expanding trade liberalization with ASEAN countries (see Kim 2006b).³⁰⁾

The KAFTA is also the Korean government's attempt to become

29) The agreement is available at the website of ASEAN Secretariat (<http://www.aseansec.org/KAFTA.htm>). For the process of the KAFTA, see the website of the Ministry of Foreign Affairs and Trade of the Republic of Korea (http://www.fta.go.kr/fta_korea/info.php?country_id=14).

30) Once the agreement comes into effect, Korea's trade surplus with ASEAN countries is expected to rise to US\$60 billion, from US\$14 billion in 2005 (Choi 2006).

the leader, or at least a main player, in the East Asian economy. As regional economic integration in East Asia has progressed, as shown in the case of the ACFTA, the Korean government has strongly felt that it needs to build the groundwork to cope with the new regional situation (Kwon 2006). These circumstances led the Korean government to adopt a policy plan to develop Korea as the hub to connect Northeast Asian markets to Southeast Asian ones through the KAFTA. The Korean government expects that such a policy will become a stepping-stone for Korea to play a key role in regional economic integration in East Asia (see Kim 2006b; Choi 2006).

China's approach toward ASEAN is also expected to have significant effects on Korea's security strategy. As mentioned above, China's approach toward Southeast Asia could create conflicts between China and the United States for leadership in the region. Meanwhile, for Korea, which faces diverse regional security threats such as North Korea's nuclear weapons, security cooperation with the United States is desperately needed. Accordingly, when Korea participates in regional cooperation in East Asia, it has to take into full consideration the position of the United States (Bae 2005b, 16-18).³¹⁾ Meanwhile, given that China is another country key to Korea's security strategies, it is necessary for the Korean government to maintain a good relationship with that country. As a result, if conflicts between China and the United States emerge in East Asia, Korea will face a difficult situation between the two powerful countries. In this regard, the Korean government needs to

31) In fact, a Korea-United States FTA, which the two countries recently agreed to establish, is expected to become a path through which the United States can participate in regional cooperation in Northeast Asia indirectly (Lee 2006, 7).

deliberate on the question as to which regional institution in East Asia is most favorable to its own national interests. In other words, the Korean government should ponder the relative advantages of strengthening cooperation with a regional institution with higher openness to outsiders, such as the APEC, and of increasing cooperation with a more exclusive regional institution, such as ASEAN+3.

In addition, it is likely that competition between China and Japan for leadership in East Asia will place Korea in an uneasy position between the two countries. One means for Korea to address such a situation may be to increase its leverage by augmenting cooperation with ASEAN. Korea does not have the capacity to compete with China or Japan in military, economic, or political terms. However, ASEAN countries will probably seek a strategic partner to alleviate competition between China and Japan and strengthen their own influence in East Asia. In that case, Korea could become that strategic partner for ASEAN countries (Kim 2005, 158). Indeed, the creation of the KAFTA demonstrates such a possibility.

Finally, given the strategic and economic importance of ASEAN, Korea needs to develop its relationship with ASEAN further, in particular, its bilateral relationship with individual ASEAN countries. Although Korea has developed cooperation with ASEAN amicably within multilateral frameworks such as the ARF and ASEAN+3, Korea has tended to attach less importance to its relationships with individual Southeast Asian countries. In addition, as Korea's foreign policy toward Southeast Asia has concentrated on the economic area; political, social, and cultural exchange between Korea and individual ASEAN countries has been much weaker.³²⁾ Korea may be able to

strengthen its cooperation with ASEAN countries by providing substantial economic aid to ASEAN countries, especially for those with high potential for growth such as Vietnam, Indonesia, and Myanmar.

VI. Conclusion

The Asian financial crisis of 1997 was a turning point for regional cooperation in East Asia. It forced countries in the region to perceive the necessity of strengthening regional cooperation and, as a result, led to the creation of ASEAN+3. China has, on the one hand, made substantial progress in its economic cooperation with ASEAN, as reflected in the launch of the ACFTA. The ACFTA is expected to accelerate regional integration in East Asia by facilitating economic cooperation between Korea and ASEAN and between Japan and ASEAN, and, consequently, economic cooperation among the three major Northeast Asian countries, China, Japan, and Korea. If an East Asian FTA is realized, it will emerge as a vast regional economic zone with a population of 2 billion and a GDP of US\$8 trillion. China has begun to take the lead in the developing trend of East Asian economic integration. On the other hand, China has actively sought cooperation with ASEAN countries in the areas of diplomacy and security as well. Its actions suggest a reorganization of the security order in East Asia.

32) As a result, there is criticism that Korea's foreign policy toward Southeast Asia is too pragmatic (Kim 2005, 159).

Certainly, there are a number of obstacles that China has to overcome before it can achieve the objectives of its approach toward Southeast Asia. Nevertheless, changes in the economic and security environments in East Asia caused by China's recent policies toward ASEAN have significant effects on Korea's foreign economic and security policies, as well as those of other countries in the region. For that reason, Korea has been endeavoring to enhance its economic cooperation with ASEAN to secure its export markets and become a key country in East Asian economic integration. Also, Korea is facing a situation in which it has to develop new strategies to cope with the changing security environment in the region.

The sensation among neighbor countries caused by China's active approach toward ASEAN essentially reflects the growing salience of ASEAN countries. There is little doubt that ASEAN will become a core pillar in economic and military cooperation in East Asia. Thus, a change in cooperation between ASEAN and its neighbor countries is expected to become a key factor that will determine the future path of the regional order in East Asia and, by extension, the world order.

References

- ASEAN Secretariat. 2006. "Overview: Association of Southeast Asian Nations." <http://www.aseansec.org/64.htm> (downloaded December 13, 2006).
- Bae, Geungchan. 2005a. "Dongbugasidae Gusanggwa Asean+3 Hyeobryeog (An Era of East Asia and ASEAN+3)." *Juyo Gukje Munje Bunseok* (International Issues & Prospect) [in Korean] April 11.

- http://www.ifans.go.kr/ik_a003/ik_b011/ik_c007/ik03_04_sub02.jsp
(downloaded December 29, 2006).
- _____. 2005b. “Je1cha Dongasia Jeongsanghwuiui (EAS) Gyueolgwa Bunseog: Asean+3 Jeongsanghwuiuiwaui Gangaeseoljeongul Jungsimuro (An Analysis of the First EAS).” *Juyo Gukje Munje Bunseok* (International Issues & Prospect) [in Korean] 27 December. http://www.ifans.go.kr/ik_a003/ik_b011/ik_c007/ik03_04_sub02.jsp
(downloaded December 29, 2006)
- Bowles, Paul. 2002. “Asia’s Post-Crisis Regionalism: Building State Back In, Keeping the (United) States Out.” *Review of International Political Economy* 9(2): 244-270.
- Buszynski, Leszek. 2003. “ASEAN, the Declaration on Conduct, and the South China Sea.” *Contemporary Southeast Asia* 25(3): 343-362.
- Cai, Kevin G. 2003. “ASEAN-China Free Trade Agreement and East Asian Regional Grouping.” *Contemporary Southeast Asia* 25(3): 387-404.
- Cheong Inkyo. 2005. “China and Japan’s Approaches toward FTAs with ASEAN.” *The Studies of International Affairs* [in Korean] 5(1): 261-306.
- Cheong, Inkyo and Dong Yoon Oh. 2003. “Progress of a China-ASEAN FTA and Its Impacts.” KIEP Policy Study 03-07 [in Korean]. Seoul: Korea Institute for International Economic Policy.
- Chinese Government. 2006a. “China-ASEAN Summit Promotes World 3rd Largest FTA.” October 30. http://english.gov.cn/2006-10/30/content_427863.htm (downloaded December 15, 2006).
- _____. 2006b. “China, ASEAN Vow To Expand Trade and Economic Links.” October 30. http://www.gov.cn/misc/2006-10/31/content_429114.htm (downloaded December 15, 2006).
- Choe, Wongi. 2007. “Jeunggugui Hanjeung FTA Chujin Baekyeongwa Hanjeung FTA Jeonmang [Driving Factors for China to create an FTA with South Korea and the Prospects for It].” *Juyo Gukje Munje Bunseok* (International Issues & Prospect) [in Korean] January 8. http://www.ifans.go.kr/ik_a003/ik_b011/ik_c007/ik03_04_sub02.jsp
(downloaded January 13, 2007).

- Choi, Kyeong-Rip. 2006. "Ssal Jikigo Cha Gwansejangbyeog Dduleotda [Korea-ASEAN FTA]." Ministry of Foreign Affairs and Trade of the Republic of Korea [in Korean]. May 24.
http://www.fta.go.kr/fta_korea/interview_view.php?page=1&board_id=1095&country_id=14 (downloaded December 28, 2006).
- Choi, Taewook. 2006. "South Korea's FTA Policy-Making Process." *Korea & World Politics* [in Korean] 22(2): 87-118.
- Dieter, Herbert and Richard Higgott. 2003. "Exploring Alternative Theories of Economic Regionalism: From Trade to Finance in Asian Co-operation." *Review of International Political Economy* 10(3): 430-454.
- Hamilton-Hart, Natasha. 2003. "Asia's New Regionalism: Government Capacity and Cooperation in the Western Pacific." *Review of International Political Economy* 10(2): 222-245.
- Han, Sukhee. 2002. "ARF and China: A Review on Enmeshment of China." *The Korean Journal of International Relations* [in Korean] 42(4): 373-391.
- Han, Zhiqiang. 2004. "Dongya Quyu Hezuo zhong-de Meiguo Yinsu (The American Elements in East Asian Regional Cooperation)." *Guoji Wenti Yanjiu* (International Studies) [in Chinese] 3: 36-39.
- Heller, Domink. 2005. "The Relevance of ASEAN Regional Forum (ARF) for Regional Security in the Asia-Pacific." *Contemporary Southeast Asia* 27(1): 123-145.
- Hund, Markus. 2003. "ASEAN Plus Three: Towards a New Age of Pan-East Asian Regionalism? A Skeptic's Appraisal." *The Pacific Review* 16(3): 383-417.
- Jun, Byong-Kon. 2003. "China's Multilateral Regional Strategy: The Case of the China-ASEAN FTA." *New Asia* (in Korean) 10(1): 133-150.
- Kim, Han-Sik. 2005. Dongnam Asis: Migug, Chunggug Galdongui Hyeongjang (Southeast Asia, an Arena of Competition between the United States and China) [in Korean]. Seoul: Korean Studies Information.
- Kim, Jae Cheol. 2003. "China's Policy Toward East Asia in the Post-Cold

- War Era.” *Gugga Junlyak* (National Strategy) [in Korean] 9(4): 7-32.
- Kim, Yong-Mu. 2006b. “Seog Geodaesijang Aseangwau FTA Gibonhyeobjeong Seomyeong (The Korea-ASEAN FTA).” *Nara Gyeongjae* (Nara Economy) [in Korean] January: 74-75.
- Kim, Young-Chul and Chang-Gun Park. 2005. “The Financial Crisis and Regional Institutionalism in East Asia.” *East Asian Review* 11(4): 3-28.
- Kim, Young-Han. 2006a. “Regional Economic Integration in East Asia and Its Impacts on Industrial Restructuring.” *Policy Studies* [in Korean] 148: 51-110.
- Korea Trade-Investment Promotion Agency. “Jeung-Asean FTA Chegyeolgwa Uri Suchulsijangeui Yeonghyang [The China-ASEAN FTA and Its Impacts on Korea’s Exports].” Current Issue Report 05-032 [in Korean]. September.
- Ku, Samuel C. Y. 2006. “China’s Changing Political Economy with Southeast Asia: Starting a New Page of Accord.” *Asian Perspective* 30(4): 113-140.
- Kuik, Cheng-Chwee. 2005. “Multilateralism in China’s ASEAN Policy: Its Evolution, Characteristics, and Aspiration.” *Contemporary Southeast Asia* 27(2): 102-122.
- Kwon, Yul. 2004a “ASEAN on the Road to Closer Integration in East Asia.” *The Southeast Asian Review* [in Korean] 14(1): 1-40.
- _____. 2004b “Han-ASEAN FTA Hyeopsangui Juyo Jaengjeom Mit Chujin Banghyang (Major Issues in the Korea-ASEAN FTA and Its Prospects).” *KEIP Global Economic Review* [in Korean] September: 23-31.
- _____. 2006. “Han-Asean FTA Hyeonbsang Tageol: Uiuiwa Gage (The Agreement on the Korea-ASEAN FTA: Its Implications and Remaining Problems).” Ministry of Foreign Affairs and Trade of the Republic of Korea [in Korean]. May 10.
http://www.fta.go.kr/fta_korea/pds_list.php?page=2&country_id=14
(downloaded December 28, 2006).

- Lee, Dong-Hwui. 2006. "Hanmi FTA Yihuui Dongbuga Jiyeoghyeobryeog Banghyang (Prospects for Regional Cooperation in Northeast Asia After a Korea-United States FTA)." *Juyo Gukje Munje Bunseok* (International Issues & Prospect) [in Korean] 16 August. http://www.ifans.go.kr/ik_a003/ik_b011/ik_c007/ik03_04_sub02.jsp (downloaded 29 December 2006).
- Lee, Jae-Hyung. 2002. "China's Expanding Maritime Ambitions in the Western Pacific and the Indian Ocean." *Contemporary Southeast Asia* 24(3): 549-568.
- Lee, Taeho. 2005. "Uri Jeongbuui FTA Hyeonhwanggwae Jeongchaegbanghyang (South Korea's FTA Policies)." *Foreign Relations* [in Korean] 74: 72-79.
- Lee, Yohan. 2003. "21segi Sinjilseo Sogui Dongnama-Junggug Kwangae Jeonmang (The Prospect for China-Southeast Asia Relations in the 21st Century)." Seungyun Yang et al. eds. *Dongnama-Junggug Kwangaeron* (China-Southeast Asia Relations) [in Korean], Seoul: Hankuk University of Foreign Studies Press.
- Lincoln, Edward J. 2006. "Comments on China as a Regional Player." The Atlantic Council Asia Programs. January: 2-4.
- McDougall, Derek. 2002. "Asia-Pacific Security Regionalism: The Impact of Post-1997 Developments." *Contemporary Security Policy* 23(2): 113-134.
- Medeiros, Evan S. and M. Taylor Fravel. 2003. "China's New Diplomacy." *Foreign Affairs* November/December: 22-35.
- Ministry of Commerce, Industry and Energy of Korea. 2005a. "Jeung, Asean FTAE Dareun Saneobbyul Daeung Bangan Jeomgeom (Industries' Measures To Cope with the China-ASEAN FTA)." Press Release [in Korean]. August 5. <http://www.mocie.go.kr/index2.html> (downloaded December 20, 2006).
- _____. 2005b. "Jeung-ASEAN FTA Handal, Uriege Michin Yeonghyangun? (One month after the China-ASEAN FTA: Its Impacts on South Korea)." Press Release [in Korean]. August 26. <http://www.mocie.go.kr/index2.html> (downloaded December 20,

2006).

- Ministry of Commerce of People's Republic of China. 2003. "Historic Step to Win-Win Deal for China, ASEAN." November 5.
<http://english.mofcom.gov.cn/article/newsrelease/commonnews/200211/20021100049088.html> (downloaded December 15, 2006).
- Ministry of Finance and Economy of Korea. 2005a. "2005yeondo FTA Chujin Hyeonhwangwa Hyanghu Jeonmang (FTAs in 2005 and Prospects)" [in Korean]. August 17. <http://www.mofe.go.kr> (downloaded December 28, 2006).
- _____. 2005b. "Wae FTArul Chujin Haneunga? (Why Do We Need FTAs?)" [in Korean]. August 17. <http://www.mofe.go.kr> (downloaded December 28, 2006).
- Ministry of Foreign Affairs of China, "Premier Zhu Rongji Attending the Fourth China-ASEAN Summit." November 25.
<http://www.fmprc.gov.cn/eng/topics/3755/3791/3792/t19367.htm> (downloaded December, 15 2006).
- Ministry of Foreign Affairs and Trade of Korea. 2004. *Asean Gaehwang* (An Overview of ASEAN) [in Korean], Seoul: Ministry of Foreign Affairs and Trade of the Republic of Korea.
- Park, Sa-Myung. 2005. "From Battlefield to Marketplace: Changes and Continuity in China-ASEAN Relations." *The Southeast Asian Review* [in Korean] 15(2): 1-40.
- Park, Yung Chul and Yunjong Wang. 2005. "The Chiang Mai Initiative and Beyond." *The World Economy* 28(1): 91-101.
- People's Daily Online. 2006. "China-ASEAN FTA Necessary and Beneficial." October 27.
- _____. 2006. "Backgrounder: Chronology of ASEAN Plus China Summit." October 29.
- _____. 2006. "China Welcomes Import from ASEAN Despite Trade Deficit: Commerce Minister." October 31.
- Qiu, Danyang. 2004. "Zhongguo-Dongmeng Zhiyoumaoyi-qu de Goujian ji Yiyi (Building and Meaning of China-ASEAN FTA)." *Guoji Wenti Yanjiu* (International Studies) [in Chinese] 2: 19-22.

- Simon, Sheldon W. 2006. "U.S.-Southeast Asian Relations: U.S. Strengthens Ties to Southeast Asian Regionalism." *Comparative Connections* 8(3).
- Soesastro, Hadi. 2006. "Regional Integration in East Asia: Achievements and Future Prospects." *Asian Economic Policy Review* 1(2): 215-234.
- Sutter, Robert, and Chin-Hao Huang. 2007. "China-Southeast Asia Relations: Cebu Meetings, UN Veto on Myanmar." *Comparative Connections* 9(1): 73-82.
- The Hankyoreh. 2006. "Junggug-Asean Jayumuyeog Jeopgeun (China and ASEAN Approaching)" [in Korean]. November 1.
- Vatikiotis, Michael R. J. 2004. "Catching the Dragon's Tail: China and Southeast Asia in the 21st Century." *Contemporary Southeast Asia* 25(1): 65-78.
- Vaughn, Bruce and Wayne M. Morrison. 2006. "China-Southeast Asia Relations: Trends, Issues, and Implications for the United States." CRS Report for Congress. April 4.
- Wang, Jisi. 2004. China's Changing Role in Asia. The Atlantic Council Asia Programs. January.
- Wei, Hong. 2005. "Zhongguo-Dongmeng Hezuo yu Dongya Yiti-hua (China-ASEAN Cooperation and East Asian Integration)." *Xiandai Guoji Guanxi* (Contemporary International Relations) [in Chinese] 5: 21-30.
- Wei, Yan. 2006. "Binding ties." Beijing Review November 9.
- Wong, John, Keyuan Zou and Huaqun Zeng. eds. 2006. *China-ASEAN Relations: Economic and Legal Dimensions*. Singapore: World Science Publishing.
- Yan, Xuetong. 2004. "Heping Jueqi yu baozhang heping (Peaceful Rise and Peace Building)." *Guoji Wenti Yanjiu* (International Studies) [in Chinese] 3: 12-16.
- Yeo, Su Ok. 2006. "Junggukui FTA Chujin Mogpyowa Juyo Isyu (China's Objectives of FTAs and Major Issues)." *KIEP Global Economic Review* [in Korean] January: 46-55.

- Yin, Chengde. 2004. "Dongmeng Waijiao Xin Zouxiang (New Tendency of ASEAN Diplomacy and on the Relations between ASEAN and China)." *Guoji Wenti Yanjiu* (International Studies) [in Chinese] 3: pp. 21-25, 39.
- Yoon, Young-deok. 2006. "China's Neighboring Diplomacy Strategy and the Policy toward ASEAN." *Korea & World Politics* [in Korean] 22(3): 1-40.
- Zheng, Xianwu. 2006. "Dongnanya Anquan Quyuzuyi: Lishi yu Xianshi (Security Regionalism in Southeast Asia: History and Reality)." *Xiandai Guoji Guanxi* (Contemporary International Relations) [in Chinese] 3: 46-53.
- Zhu, Rongji. 2001. "Working Together To Create a New Phase of China-ASEAN Cooperation.", Ministry of Foreign Affairs of China. <http://wcm.fmprc.gov.cn/zdjn/eng/zywj/t270550.htm> (downloaded December 15, 2006).

중국의 동남아전략과 한국에 대한 함의

황 재 호

한국국방연구원 안보전략연구센터 선임연구원

최 형 규

한국은행 금융경제연구원 이코노미스트

최근 들어 중국은 아세안이 지니는 전략적 가치와 경제적 중요성으로 인해 적극적인 아세안정책을 추진하고 있으며, 이는 주로 경제협력과 외교안보 등 두 분야에서 전개되고 있다. 그러나 향후 중국의 아세안 전략이 소기의 목적을 달성하기 위해서는 해결해야 할 과제가 적지 않다. 먼저 경제적으로 중국과 아세안 모두 상호보완적 측면보다는 경쟁적 측면이 더 크다. 또한 안보적으로 아세안은 중국의 군사력 강화가 역내 국가들의 안보와 안정에 위협적인 요소로 작용할 수 있음을 우려하고 있다. 이러한 현실에서 한국의 외교는 아세안+3에서 한 축을 확실히 차지해 역내 국가간 경제협력으로 인한 이익을 극대화할 수 있어야 한다. 이와 더불어 한국의 경제와 안보에 지대한 영향을 미치는 미국의 아태전략의 큰 틀과 방향에 대한 고려가 필요하다.

주제어: 중국, 아세안, 아세안+1, 자유무역지대, 지역협력