



## **China's Rising Soft Power in Southeast Asia**

by Eric Teo Chu Cheow

Political turmoil in Taiwan, following the March 20 presidential election and "defensive referendum," is causing some unease in Southeast Asia, as tension increases in cross-Straits relations following the slim margin of victory of incumbent President Chen Shui Bian. In fact, before the election, Taipei was already concerned that it was "losing out" in Southeast Asia to Beijing, especially if ASEAN countries were to choose sides in the unfortunate event of hostilities across the Taiwan Strait. Now with the Taiwan elections over and the situation to be pacified soon, Taipei will have to come to terms with this "loss" and take action to arrest sagging Taiwan-ASEAN relations.

ASEAN-China relations are consolidating, as Beijing "advances" into Southeast Asia to balance the region's relations with Japan and the United States. The successful strengthening of ASEAN-China relations, despite recent historical animosities and initial economic hang-ups, could be attributed to China's successful cultivation of ASEAN. But more important, China's "soft power" has risen substantially in Southeast Asia, which has boosted Beijing's clout, influence, and standing in ASEAN countries. At the close of the annual parliamentary (NPC-CPPCC) session in Beijing recently, Prime Minister Wen Jiabao described China as "a friendly elephant," which poses no threat to ASEAN.

### **The Emergence of Benign China**

From a historical perspective, China used to pose two sorts of threats to Southeast Asia. There was a "communist threat" in the 1960s and 1970s, as experienced by Indonesia, Thailand, Malaysia, Singapore, Philippines, and Burma. On the other hand, Beijing represented a "war threat" to Vietnam in 1979, when Chinese troops crossed the Sino-Vietnamese border to teach Vietnam a lesson over its invasion and occupation of neighboring Cambodia.

Southeast Asian countries have lately witnessed a major perception change of China, from what was termed a "China threat" (in economic, trade, investment, social/job terms) just three years ago, to one of a "benign China with opportunities (for ASEAN)." Three factors have come into play.

First, Beijing's pragmatic policy of political stabilization has reassured ASEAN countries. This is a stark contrast to the previous policy of "ideological destabilization" of the region.

Second, China is perceived today as an economic opportunity for ASEAN, thanks first to Beijing's political decision to maintain (or not competitively devalue) the RMB during the 1997-98 Asian crisis, and then to the latest "bonus" of surplus trade accorded to ASEAN countries by Beijing.

Key to this perception shift has been China's strategic policy of down-playing ideology, and moving toward pragmatism, which ASEAN countries have detected in both China's domestic policies and external relations. ASEAN countries now appreciate the normalization of Beijing's relations with the region. With greater sophistication in its foreign policy, Beijing has deliberately changed its strategic engagement with Southeast Asia and extended a hand of "strategic friendship" to ASEAN countries. Ideology is abandoned both domestically and externally, which has greatly assuaged fears and concerns. A more pragmatic and "normalized" China has re-defined the geopolitical relationship between Beijing and ASEAN, as China seeks stability and equilibrium for its own economic and political development, based primarily on its current slogan of "Stability, Development, Reforms." The common feeling in Southeast Asia is that it can now do business with a more pragmatic generation of Chinese leaders and this "new" emerging China.

Economically, the ASEAN-China Free Trade Agreement (FTA) or "10+1" has effectively linked China closer to ASEAN. Furthermore, China has accorded unprecedented surpluses to ASEAN economies and increased Chinese investments to ASEAN. China is investing in oil and gas in Indonesia through CNOOC and has voiced interest in manufacturing investments in Vietnam and Thailand; Chinese investments could fuel further economic growth in ASEAN in the coming years. But competition could also increase for natural resources world-wide, thanks to China's growing appetite for oil, gas, steel, other minerals, and agricultural products, with possible negative repercussion on world prices, especially for ASEAN economies that do not produce such commodities.

China's human resources are also moving to Southeast Asia. Chinese tourists, students, expatriates, and lower-level workers are fanning out to ASEAN, bringing new opportunities and revenue to ASEAN economies. The Chinese presence in Southeast Asia could thus increase and have a major financial and social impact on ASEAN. Finally, there is a rise in Chinese economic and social assistance to regional countries: regional cooperation in the Greater Mekong Sub-Region, as well as in their common fight against SARS and avian flu will increase.

### **The Rise of China's Soft Power**

Commensurate with China's rise as an economic and political power, has been a concurrent rise in China's "soft power" in Southeast Asia. Chinese culture, cuisine, calligraphy, cinema, curios, art, acupuncture, herbal medicine, and fashion fads have all emerged in regional culture.

Fascination for popular Chinese culture among ASEAN youth in films, pop music, and television has been noticeable, even though such popular culture may in fact have emanated from Hong Kong (its films, actors, actresses and “Canto-pop”) or Taiwan (like Meteor Garden television series, or boybands, F4 or 5566), and not necessarily from China. Joint “Chinese” film production, such as “Hero” or “Crouching Tiger, Hidden Dragon” (thereby pooling together the best acting talents from China, Taiwan and Hong Kong) have hit international box-offices and given popular Chinese culture a big boost. Chinese cinema idols, like Zhang Yimou and Gong Li, are beginning to command a following. Furthermore, mainland Chinese consumer brand-names (like Hai-er, TCL or Huawei) have spread and become popular in ASEAN societies.

But probably more important is the rise in the role and influence of ethnic Chinese within Southeast Asia. Formerly resolutely anti-communist and anti-Beijing, this group has swung around to accepting a more benign China. Chinese New Year 2004 has been symbolically feted by ethnic Chinese in Southeast Asia, and signifies the rise of these communities, which appear to be riding the coat-tails of an emerging China further north. In Thailand, there is a rise in Thai-Chinese power and influence, not only in commerce and business (as had been traditionally the case), but also in politics (the ruling Thai Rath Thai Party), the bureaucracy, and the intelligentsia. Indonesia has “rehabilitated” its Indonesian-Chinese community, as the Lunar New Year or “Imlek” has since 2003 been designated an official Indonesian public holiday; public “Metro TV” even reads some of its news bulletins (“xin wen”) in Mandarin. In the Philippines, Filipino-Chinese movies have captured the top prizes in the Metro-Manila Film Festival for the past two years. There are also more “chinovelas” (Chinese serials) on local television stations in the afternoon and the Taiwanese boy-band, F4 is currently the Philippines’ biggest craze. Vietnam is following the “China model” economically and even politically, as returning *viet kieu* (or overseas Vietnamese) are expected to lead Vietnamese economic recovery, like overseas Chinese 15 years ago. In Malaysia, Chinese tycoons are playing an increasingly prominent role both domestically and externally, especially in leading economic recovery and the current reforms in Malaysia “against” its *bumiputra* policy.

In Southeast Asia, the “pai hwa” (or anti-Chinese) sentiment has subsided to a large extent, just as many ethnic Southeast Asian Chinese are now “re-discovering” their Chinese culture/identity; Mandarin classes have boomed in ASEAN countries.

The most significant change in Southeast Asia has perhaps been in the attitude of these ethnic Chinese, who have become less biased, less anti-communist, and less anti-Beijing in their thinking. But over-playing this China connection could be a double-edged sword if these same overseas Chinese do not share or better distribute their acquired wealth locally, and especially when they are perceived to have prospered thanks to their China connection. Beijing must also be aware of this potential danger.

## Conclusion

“Stabilized” ASEAN-China relations should help stabilize the Asia-Pacific region, which is what both ASEAN and China seek to develop and prosper together. This ASEAN-China entente could also help create better regional conditions for development within the “ASEAN+3” framework. But “enhanced” Sino-Japanese relations would still clearly be the primary key to this future “ASEAN+3” entity; otherwise, no Asian entity would ever take off!

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