



FOURTH JAKARTA FORUM ON ASEAN-CHINA RELATIONS

*China's Development and A Shared
Future Between ASEAN and China*

Tuesday, September 10, 2019
ASEAN Secretariat,
Jakarta, Indonesia

Introduction

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On Tuesday September 10, 2019, The Habibie Center together with the Mission of the People's Republic of China to ASEAN and the Permanent Mission of the Philippines to ASEAN held the **Fourth Jakarta Forum on ASEAN-China Relations** on the theme of **'China's Development and a Shared Future Between ASEAN and China.'** The fourth Jakarta Forum was held at the new ASEAN Secretariat building in Jakarta and was the first public event since the new building was launched. It was also held to mark the occasion of the 70th anniversary of the founding of the People's Republic of China.

This event featured as speakers H.E. Dino Patti Djalal, Founder of Foreign Policy Community of Indonesia and

Mr. Wang Dong, Secretary-General of Academic Committee of the Pangoal Institution, with Mr. Wirya Adiwena, Researcher, The Habibie Center moderating. The event also featured Welcoming Remarks from H.E. Huang Xilian, Ambassador of the People's Republic of China to ASEAN and H.E. Amb. Michael Tene, ASEAN Deputy Secretary-General for Community and Corporate Affairs as well as Closing Remarks from H.E. Noel Servigon, Permanent Representative of the Republic of the Philippines to ASEAN and Dr. Mohammad Hasan Ansori, Director for Program and Research, The Habibie Center.

This discussion report summarizes the key points of each speaker, as well as the question and answer session that followed throughout the event.

Opening Remarks

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H.E. Michael Tene
**ASEAN Deputy Secretary-General for
Community and Corporate Affairs**

Since the 2003 ASEAN-China Strategic Partnership, we have witnessed flourishing ASEAN-China relations since the establishment of strategic partnership with the strengthening of trade and economic cooperation, deepening of political and security dialogue, and practical cooperation as well as increased people-to-people exchanges.

Appreciation to the government of China for its unwavering commitment to support ASEAN community-building efforts. We hope to further substantiate our partnership.



H.E. Huang Xiliang
**Ambassador of the People's Republic
of China to ASEAN**

Over the last 70 years, China has witnessed remarkable progress in all fronts. China has chosen development path suited to its own realities. The People's Republic of China started from scratch when it was founded in 1949. Today it is world's second largest economy, the largest industrial powerhouse, and the largest trader in goods. Over 700 million Chinese people have been lifted from extreme poverty. The key to this remarkable success is socialism with Chinese characteristics.

Second, China's development approach has witnessed continued economic growth for the last seven decades. China's task today has shifted



from fulfilling people's basic material needs to the fulfilling of the increasing demand for the betterment of life. This signifies a shift in the development approach. A shift from speed to quality, from "is it fast enough?" towards "is it good enough?"

Development is coordinated across political, economic, social, cultural, and environmental spheres. What we call as Five-sphere Integrated Plan.

Third, China has adopted and adhered to the national policy of reform and opening up.

Fourth, China follows the development philosophy of win-win cooperation. China remains committed to peaceful development and the strategy of opening up for win-win outcomes. Engagement to build world peace

contributes to global development. China upholds international order and multilateralism. The Belt and Road Initiative contributes China's wisdom on how international relations should be handled.

China's development has global implication. It benefits not only the people of China but also the rest of the world, including ASEAN. ASEAN and China are closely interconnected and enjoy harmonious co-existence. We respect and support each other on issues of core interest and handle differences through dialogue and consultation. China remains committed to support ASEAN centrality. We are partners for common development.

ASEAN and China support each other in difficult times. We fought



together SARS epidemic and carried out disaster relief when tsunami hit Indian Ocean countries. We stood side-by-side to face Asian financial crisis and international financial crisis. These have made us partners and brothers. ASEAN and China uphold multilateral trading system and reject unilateralism and protectionism. We would together formulate rules at sea to safeguard regional peace and stability.

ASEAN-China Strategic Partnership Vision 2030 was formulated against the increasing uncertainties in the region and beyond. The Partnership proves that China's development would contribute to closer ASEAN-China community for an even brighter future.

Keynote Remarks





H.E. Dino Patti Djalal
Founder of Foreign Policy
Community of Indonesia (FPCI)

China is many things. It is now the second largest economy and soon to be the first, the largest manufacturer, the largest trading nation, the largest diaspora, and so on. China has gone long way to be what it is now.

In FPCI we have established a China Policy Group. The reason is that we need to understand China better. In 1980s we had a blind spot. There was very few people that understood how China would grow. We need to get China right. How Beijing works, what China wants. How it wants to engage the world. The cost of getting China wrong is enormous, the reward of getting China right is high.

It is important to make up our own mind about China. It is important to figure out China on the basis of what it is and not what it is not. It is important to test all assumptions and open-minded to all possibilities.

China-ASEAN relations is a special and unique relationship. It is important to understand how things have change over the years. Most importantly, the view of Southeast Asians towards China has changed. First, we see China relations with Southeast Asia as no longer driven by ideology but by national interests and development needs.

Second, its impact on Southeast Asia. China may not be a superpower but few can doubt that China has become the most consequential power or the most impactful country to Southeast Asia. The impact is felt across the board i.e. finance, jobs, infrastructure, tourism, digital economy, and many others.

There is every likelihood that China's power will continue to grow, militarily, politically, diplomatically, economically, technologically, culturally. China's impact on our region will also continue to grow. It will be foolish to even try to contain China. It would not work. There are too many countries are invested in China's development. The best thing to do is to engage China, embrace it, and



lock her in a rules-based stakeholders relationship which ensure that China's growing power would bring greater peace, cooperation, and progress for the region.

Third, China looms large in whatever scenarios of the future of the region. This is why we call ASEAN-China relations a strategic one. Each Southeast Asian country has its big plans. And China will be part of these plans. This is unprecedented.

Fourth, the nature of diplomatic relations between ASEAN and China has also changed. Since early 1990s, China has begun to undertake a proactive diplomatic posture towards Southeast Asian countries, bilaterally, and ASEAN. A lot of diplomatic initiatives were initiated by China including the ASEAN-China

Political Declaration or to begin the negotiation for Declaration on the Conduct of Parties in the South China Sea. Today China has emerged as one of the solution providers in the region.

ASEAN and China now have a robust partnership. The Vision 2030 lays out where ASEAN and China need to be in the coming decade. ASEAN-China relations is taking place amidst "geopolitical recession". The rivalry between U.S. and China is widening. This places ASEAN-China relations important not only for China and ASEAN but also for the region and beyond. When China decided to sign the Treaty of Amity and Cooperation, it changed the dynamics of relationship in the region as many other countries follow suit. It was an example of how China and ASEAN can work together to promote a better and stronger regional affairs.

There are a number of issues that we should pay attention to:

- Conclusion of the Code of Conduct in the South China Sea and Regional Comprehensive Economic Partnership. Once we conclude these, the institutional relationship will reach an even higher level.
- ASEAN and China need to ensure that both are equal co-drivers. We need to ensure that diplomatic initiatives, energy and push are

equal on both sides as co-drivers.

- BRI will have to complement and synergise with Master Plan on ASEAN Connectivity 2025. Speed is important here. Things move very fast in China. This is different with what we have in Southeast Asia.
- ASEAN and China have gone way beyond just living next to each other as neighbours. There is a lot of integration and interdependence going on. The principle of “peaceful coexistence” is outdated. We need to aim beyond that.
- Establishing trust at the people-to-people level. We have to do a lot more to promote trust.
- Beware of nationalism. No one country is immune to nationalism-gone-wrong.
- China must ensure support for ASEAN to be coherent and united. This is very strategic for ASEAN. ASEAN needs to own ASEAN.
- China needs to accept and embrace the desire of Southeast Asia for balance. This is ASEAN psychology. We want to have close cooperation with certain countries but we also want to balance it with other countries.
- ASEAN-China relations can

contribute to cool down the “hot peace”, the strategic rivalry between major powers, and even reverse it. Competition is a good thing, but zero-sum rivalry is not.

- The best scenario as far as ASEAN-China relations is concerned is for China to be a “good brother” of Southeast Asia and not “big brother”. China needs to project more the Panda image. China needs to stay humble. Southeast Asia tends to be extra cautious when dealing with bigger powers.
- ASEAN and China need to deepen the real sense of partnership. It needs to have a soul, a genuine feeling of partnership. ASEAN and China together need to push forward multilateralism.



Mr. Wang Dong
Secretary-General of Academic
Committee of the Pangoal Institution

China has made remarkable achievement over the past 70 years. One of the most important experiences is China's deep involvement in globalisation. China's peaceful development will reshape the process of globalisation.

This is what I call as "re-globalisation", a stage where China and other emerging economies working together to reshape the process and dynamics of globalisation. China's deep involvement in re-globalisation is particularly reflected in China-ASEAN relations especially in how economics and trade ties between the sides have been growing.

At the political and strategic level, China has always regarded ASEAN as top priority in overall diplomacy. China and ASEAN countries are close neighbours with cultural bound have had a long history of friendly exchanges.

Over the past decades, China and ASEAN have forged a strategic partnership that has contributed significantly to regional peace, stability and prosperity. As the ASEAN-China Strategic Partnership Vision 2030 indicates, China and ASEAN have entered a new era of all-around development. Together ASEAN and China have advanced the partnership to a new high by forging much closer cooperation for shared and mutually beneficial future of ASEAN and China.

The shared future of ASEAN and China is perhaps best manifested in trade and economics. China has been ASEAN's largest trading partner for ten years in a row and ASEAN have become China's third largest trading partner for eight years running.

Regarding free trade area development, the ACFTA has become the largest among developing countries. It accounts for 30% of the world total, creating an enormous economy that covers eleven countries with 1.9 billion population and USD 6 trillion of GDP.

China and ASEAN are also committed

to finalise negotiation on RCEP. RCEP will contribute significantly to global and regional growth. There is a possibility that we can conclude the negotiation by the end of this year. RCEP will cover almost half of the world population with combined GDP of USD 23 trillion, one-third of world's total. It will create millions of job opportunities and improve the livelihood of millions of people.

China and ASEAN have also been working to synergise their plans on connectivity in mutually beneficial manner. Among China's top ten trading partners along the BRI routes, six are ASEAN countries. At the end of 2017, China's Overseas Direct Investment (ODI) in countries along the BRI routes amounted USD 254 billion of which 57% was taken by China's ODI in ASEAN countries. And there are also six ASEAN countries among China's top ten ODI destinations along the BRI routes: Singapore, Indonesia, Laos, Myanmar, Cambodia, and Thailand.

People-to-people exchange constitutes another important pillar of the relations. Over the years China has established six cultural centres in ASEAN countries which have all together provided Chinese language training to nearly 2.3 million students. The number of ASEAN students in China and Chinese students in ASEAN countries has grown dramatically over the years. The number of people

travelling between China and ASEAN countries is also on the rise. Key to sound relationship between states actually lies among amity among the people. China and ASEAN are each other's largest overseas tourist destination and largest source of tourists.

It is necessary to enhance synergy with the UN 2030 Agenda for Sustainable Development such as promoting South-South cooperation. It is also necessary to enhance cooperation with countries which have close economic ties with China and ASEAN through the so-called Third Party Cooperation Mechanism. Here Japan stands out as a good example. It is also important to enhance ASEAN centrality in regional cooperation in particular given the increase in trade protectionism. ASEAN and China should work together to advance regional globalisation and to enhance inclusive regional cooperation.

Panel Discussion

Question and Answers

Questions (Round I)

During the Q and A session that was moderated by Mr. Wirya Adiwena (Special Assistant to Director for Program and Research, The Habibie Center) four questions were raised by the audience. Namely (1) How should China and ASEAN synergise their outlooks on Indo-Pacific? (2) How important common values for ASEAN and China in maintaining durable cooperation? (3) What exactly the mechanism through which ASEAN-China relations can play the role as an instrument of peace in the region? (4) What would be the prioritised goal for ASEAN and China among the UN SDGs 2030?

Answers

Mr. Wang Dong

The goal remains to continue the economic growth and improve the living standard of China's people. As China's power growing, it would have more capabilities to contribute to the world.

We want to make sure that any outlook or policy does not lead to a zero-sum rivalry between the emerging power and status-quo power. China and ASEAN surely share the same view

here.

There are a lot of references made by Chinese leaders to common values. Adherence to rules-based order is very much part of Chinese values. Common values is a very important foundation for China and ASEAN to continue enhance our cooperation.

When approaching the SDGs goal, China tends to take a balance view instead of choosing one most important goal. That is not Chinese philosophy. All goals are equally important.

H.E. Dino Patti Djalal

China's development of technology is very impressive. For high speed train, for example, China used to borrow the technology from other countries. Now, all required technologies are developed in China. Same thing happen to cars, solar panels, and other technologies. The willingness to share the technologies would be welcomed by ASEAN countries. Indonesia, for instance, has been doing poorly with renewable energy. Meanwhile China has a lot of innovations in that field. Another area to work together is urban development. China is the country with the highest number of big cities.

For ASEAN, political system has never been the rallying point for us to develop relations. ASEAN is not like the European Union. ASEAN accepts political diversity. ASEAN relations with China are driven by values different from other regional institutions. The most important values are open regionalism and the ideas enshrined in the Bandung Principles. We also need to be consistent and principled when we talk about rules-based order.

The mood now in the U.S. administration is that in the past the country was too weak. The outlook now is aggressive, sometimes even involve brinkmanship politics. China should not be drawn into the game of arms race. The world has shifted from hard power to soft power politics after the fall of Berlin Wall. Major powers have been increasingly cooperative ever since. But in recent years that has collapsed. It is important to be wise and stay cool in this period of time.

Questions (Round II)

During the Q and A session that was moderated by Mr. Wirya Adiwena (Special Assistant to Director for Program and Research, The Habibie Center) four questions were raised by the audience. Namely (1) Is there any plan to distribute China's technology

in ASEAN? Who would have the authority to regulate, is it the states or the technology companies? Is there any correlation between that plan and China's goal to become a high-tech superpower by 2025? (2) How should we build trust between our people? What students should do to survive in this competitive era?

Answers

H.E. Dino Patti Djalal

Indonesia needs more Sinologists. China will be the most impactful country for Indonesia and Southeast Asia. The study of China should be encouraged across universities in Indonesia. We need to figure out China by ourselves. We cannot extrapolate what China thought thousands of years ago to how they think today. We have to be critical about this.

On technology, China is beating a lot people in fintech. China will become the first truly cashless country. A lot of these technologies will come to Indonesia sooner or later. In terms of regulation, the current government has been smart. "If there is no regulation, just go on". A lot things are moving forward because of this progressive line of thought.

The story of Jack Ma provides a lesson for Indonesians that in order to win



the competition, there is no need to play the economic nationalism card. We can win because we are better.

The best words to capture the future of ASEAN-China relations are “learn” and “adapt”. This is reflected in BRI. It is a trial and error process for China as well. There is bound to be some shortcomings, mistakes, and misperceptions. As long as we keep learning from each other the relations would be more robust than ever before.

Mr. Wang Dong

If we look at China’s history, it is also a history of China learning from the outside world. We started from very low level of technology. Market economy has allowed us to

learn from the outside world. Now China has a unique comparative advantage in certain technological development. We are willing to share those technologies with ASEAN countries. But mostly we have to let the market play out. In order to adopt the technologies, ASEAN countries need to have the required infrastructure, incentives, and pro-business regulation.

ASEAN students need to travel more to China and, if possible, study in China. I think that is the best way to learn about China.

The best word to capture the future of ASEAN-China relations is “share”. We have a shared future. That should be the direction towards which we should work.

Closing Remarks



H.E. Noel Servigon
Permanent Representative of the
Republic of the Philippines to ASEAN

The Jakarta Forum has shown again the multi-faceted importance of ASEAN-China dialogue. There are already 47 mechanisms of interaction between ASEAN and China.

Appreciation to the speakers and organising committee. The information that we have gathered in this forum have contributed a valuable input into our policies.

We are expecting the 22nd ASEAN-China Summit in Bangkok two months from now. We will adopt several documents that would guide ASEAN-China relations in the forthcoming years. Next year we will be drafting a new plan of action that will take effect

in 2021.

With the support from The Habibie Center, we hope we will be able to come up with more activities that will enrich ASEAN-China relations.



Dr. Mohammad Hasan Ansori
Director for Program and Research,
The Habibie Center

ASEAN and China have developed tremendously over the decades and is testament to the positive effects of opening up our economies, of integrating ourselves with the global market, and of committing oneself to the principles of multilateralism, regionalism and internationalism. Hand-in-hand, ASEAN and China have prospered. Side-by-side ASEAN and China shall develop.

Rising nationalism, increased unilateralism, unnecessary protectionism, and rising uncertainties pose threats to the regional development. Jakarta Forum seeks to find solution to these problems. ASEAN and China need to ensure the

continued shared prosperity of this region.

This event marks the third and final activity of what has been a year-long cooperation between The Habibie Center and the Mission of the People's Republic of China to ASEAN and the Permanent Mission of the Philippines to ASEAN. The cooperation has been fruitful and the spirit and willingness to realize the prospect for a shared future between ASEAN and China should be maintained.









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