

The Inspiration That China-ASEAN Cooperation May Learn From the Cooperation Between the United States and the European Union (EU)

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Abstract

Nowadays, the cooperation between China and ASEAN has received more and more attention. I am trying to figure out the importance of economic integration between Sino-ASEAN through this paper, drawing on the experience of the cooperation between the United States and the European Union (EU), which may finally accelerate the integration process in Southeast Asia.

Key words: China-ASEAN; The European Union; Economic relationship; One belt; One road; The maritime silk road

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INTRODUCTION

Between September and October, 2013, Chinese President Jinping Xi paid a visit to central and Southeast Asian countries, putting forward an important proposal about building the Silk Road Economic Belt and the 21st Century Maritime Silk Road. In the same year, Prime Minister Keqiang Li presented China-ASEAN expo held in Nanning city of Guangxi province, putting emphases on progressing Maritime Silk Road for the association of Sino-ASEAN to launch a strategic fulcrum which could drive the development of hinterland. The key construction project of Maritime Silk Road, promotes the cooperation and friendly exchange between Sino-ASEAN, which

froms a win-win result regionally, implements the strategy of China's peaceful development and benefits the world cooperation.

The European Union was first established in 1991. Although it started with 6 founding members, it now possesses 27 member states across Europe. At the time of the EU's appearance in the world, the United States was a super power and there was a strong relationship between the United States and the European Union. So, with the continuous cooperation and development between them, both parties have achieved mutual benefits, becoming the world's two important poles in the globe. Nowadays, regional integration is an important feature of international relations, which could reach the target at the regional level that sovereign state cannot achieve. Thus, in this view, considering the diplomacy that relied on economic relationship, China-ASEAN cooperation has the similar situation according to the cooperation between the United States and the European Union

In regards the statement mention above: "*The author (me) think that there are some inspirations China-ASEAN could learn based on such situation*".

The Maritime Silk Road, also called the road of spices and the road of ceramic, takes Guangzhou, Quanzhou, Ningbo as the three main ports joined by other ports.

Belief Analysis of inspiration that China-ASEAN cooperation may learn from the cooperation between the United States and the European Union.

1. TRADING COOPERATION

The first is the aspect of trading cooperation, the United States is the EU's largest trading partner and they have a multi-level and multi-channel cooperation. They take the Atlantic Economic Council as the platform to strengthen their economic ties and have close relations of cooperation not only in the fields of climate change or improvements of baking system, but also in other areas. However, while

the EU's economic cooperation with the United States is mainly focusing on the tertiary industry, the cooperation of Sino-ASEAN tends to be more concentrating on the primary industry and secondary industry. One important lesson why the US and the EU could achieve peaceful development together through trading is that both of them realized mutual benefit. Nevertheless, the reason why there were some disputes between China and ASEAN is that they did not make win-win results in their trading cooperation.

Fishing industry is a typical example. Since a lot of people make a living by fishing, fishing industry is one of the most important industry within ASEAN countries. As we all know, the South China Sea is an area where there are many disputes happening between China and ASEAN countries, causing the division of marine boundary surfacely. Thus, the virtual reason is that the division of marine boundary may obstacle the progress of finishing industry.

The narrowing of the sea border and the cuts of finishing industry lead to the falling of people's living standard and vice versa and the excessive, illegal fishing behavior of fisherman is further intensified the contradiction between China and ASEAN.

The Chinese government has advocated long before that suspending dispute and developing together to allow commercial, inter-regional and cooperation fishing under the condition of the member country take legal and rational behavior. In my opinion China and ASEAN could cancel the division of boundary on the economic level and form the cooperation circle of finishing on the South China Sea through signing treaty or agreement, under the circumstance of it would not do harm to the sovereignty. This can make the common development and mutual benefit coming into existence. Further speaking, the agriculture is the basic industry both in ASEAN and China which would also make progress under the reference to the above example. That is, signing some qualitative and quantitative treaties to divide the work, further promoting the horizontal specialization and the pattern of trade within Sino-ASEAN will be the platform of mutual development.

China now has almost transferred from the "world factory" into "world market", which means that China could provide a sufficient outlet for the export commodities of ASEAN countries. On the one hand, this could accelerate the economic transformation and upgrade the industry of China. On the other hand, it could also benefit the sales of ASEAN countries, which mean that they could develop their economic by the Maritime Silk Road to implement smooth trade and forming specialization and mass production. However, due to the small and scattered national territorial area of ASEAN members, their geographical conditions are not as complete as China, in which they must import agricultural

products to their countries. Based on such condition, the ASEAN could negotiate agreement with China on how to divid the work within the framework of their cooperation to satisfy the supply and demand need for each other. After such an evolution, the industrial upgrading of both ASEAN and China could be gradually pushed, and the peaceful development of cooperation similar to the America-EU's finally could be established.

2. FINANCIAL AID

The second aspect is financial aid. The United States has provided a number of financial assistance to the European Union (Western Europe). For instance, the United States implemented the Marshall Plan on the Western Europe before the establishment of EU. The Marshall Plan, which official name is the European Recovery Program, is the plan that USA provided economic aid to the Western European countries which were damaged by the Second World War for revitalization. And this plan has a far-reaching influence to both the development of European countries and the world political pattern. The program was officially launched in April 1948 lasted for nearly four years.

During this period, Western Europe received a total of \$13.55 billion in aid from America including the areas of finance, technology, equipment and etc. More speicfically, the United Kingdom received \$3.297 billion in aid, France received \$2.296 billion in aid and Germany receives \$1.448 billion in aid. The Marshall Plan has indeed contributed a lot to the process of integration in Europe and has virtually facilitated the free trade in Europe with the Bretton Woods system. However, since the actual activities of the Organization for European Economic Cooperation led by the Marshall Project had never exceeded the sphere of economic, the OEEC did not further develop into the European Union. But we could not deny that the reason why the United States launched such a program is for its own national interest. Indeed, it could also be interpreted that it was a plan for mastering the economic and political pattern of the Western Europe.

China has implemented the policy of One Belt, One Road which involves a constructive cooperation with the ASEAN countries along the Maritime Silk Road. Also the One Belt, One Road program is not like the traditional kind of the Marshall Plan. It is aimed at promoting economic policy coordination of the neighbouring countries to carry out a broader, higher and deeper regional cooperation and building an open, inclusive, and balanced regional framework. So we could say that the One Belt, One Road program is not geopolitics or geo-economic strategy which has been promoted as the Marshall Plan, it is rather a reciprocal policy that China provides public goods for the world, especially for the neighbouring countries during the new era. Unlike

Western Europe, ASEAN countries are mostly located in coastal areas and most of them are in tropical and subtropical areas. Therefore, these areas are likely to be affected by natural disasters and diseases, it means ASEAN countries will need more aid from a strong regional country. Within the Asian region, the so-called big brother is China. China could alleviate the panic of ASEAN countries and surrounding countries that have been caused by the rise of China. Whereas political demands of the Marshall plan's assistance, China could be inspired that they can launch humanitarian aid to ASEAN countries which have demands in a legitimate and reasonable way. Or China could let some underdeveloped ASEAN countries take on the China's economic express to develop themselves.

The assistance provided by China should not involve political interests who should include funds, equipment and other important materials assistance. Such assistance can be divided into five categories: Humanitarian assistance, construction assistance, Technology and Education Assistance, Personnel Training and Volunteer Service. As one of the examples, in humanitarian assistance; Indonesia was hit by a tsunami which later causing an earthquake within Southeast Asia in 2004. The Chinese government has proposed a plan to provide 26.13 million RMB to the affected countries the next day.

The aid fund was fully implemented and the disaster was effectively alleviated. Besides, the first phase of the Philippines North Luzon Railway Engineering constructed by China, the Baolang Hydropower Station built by China and the establishment of Confucius Institute in ASEAN countries has proved China's aid to ASEAN countries is not based on traditional geopolitical strategy. In addition, Asia Infrastructure Investment Bank has been established in Beijing in January 2016. Since the number of founding countries of AIIB is more than the number of ASEAN countries, we could also rely on this platform to call on other countries to aid ASEAN countries which have demands. This in turn will enable China to take a lead on the capital intermediation within East Asia and Southeast Asia areas. A good example in this aspect is the assistance of the ADB to ASEAN's higher education. We should also note that aid is not blindly given, so we must prevent the situation China once has faced in Algeria happen again.

3. CURRENCY MANIPULATION

The euro officially circulated within the EU countries in 2002 that means EU has achieved monetary integration. All of these have played an important role for processing regional economic integration within EU. In the meantime, the exchange rate between euro and dollar is fixed which promotes the development of both economic and trade between EU and America for the reason of convenience exchange rate.

According to preliminary estimates, the use of a single currency made the intra-European trade volume soon doubled, which it facilitated the choice of goods from different countries for consumers. Also, this use of a single currency has helped the EU to resist the economic crisis together and last promoting the social and cultural integration of European. These gave the European people a sense of "destiny community". The European Central Bank is responsible for the financial and monetary policy within EU Eurozone.

European Central Bank, abbreviated form of a name ECB, which was established on 1 July 1998 in accordance with the provisions of the 1992 Maastricht Treaty. It is headquartered in Frankfurt, Germany. It is not only an established financial institution in order to coordinate the issue and circulation of euro, but also a product delivered by the economic integration of EU. The development process of the EU has gone through many stages, such as Customs union, Common Agricultural Policy, Common Market and finally, unifying the currency.

During the development process, there are also some sound judicial regulations and developed organization to support its integration.

Personal advice, the ASEAN countries could follow the EU economic development process step by step to integrate into a unified monetary union. That means ASEAN countries could issue a unified currency which can maintain a stable exchange rate with RMB.

These measures will not only tighten the relationship between China and ASEAN countries, realize the stability of regional economic development, accelerate the integration of regional economy and reach the goal of "fate community" advocated by the General Secretary of the Communist Party of China. Furthermore, it could make ASEAN countries speak stronger with one voice across the world as a regional economy at the same time. However, there is also a flaw of within this matter as ASEAN doesn't have a highly developed organization like the European Central Bank in Europe to coordinate monetary unification between the ASEAN countries.

Fortunately, there are two organizations that ASEAN can rely on. One is the Asian Development Bank (ADB) while another one is the Asian Infrastructure Investment Bank (AIIB). And when the ASEAN countries are facing the situation that ADB has repeatedly failed to fulfill its promise and Asia is growing at a faster pace, it is a great idea for ASEAN countries to negotiate with the Asian investment bank for monetary unification. As a major shareholder of ADB, advocating the formation of cooperation to helping ASEAN's currency integration, China could not only stabilize surrounding economic development environment to promoting economic regional integration, but also improve the power of its economy and process the internationalization of the RMB in the meanwhile. As a result, both of them can achieve win-win cooperation.

4. CHINA-ASEAN FREE TRADE ZONES

The fourth aspect is the China- ASEAN Free Trade Area. The China-ASEAN Free Trade Area, which takes regional economic integration as a main task, has been established long before. But whether the so-called free trade area is just make only superficial changes in order to adhere to trade protectionism still remains to be seen. The economical cooperation between China and ASEAN could help China to get rid of economic security dilemma on one hand, also could contribute to the development of ASEAN countries on the other hand. We could judge that dependence is the source of power, but China - ASEAN has shown asymmetry dependence at present. Comparatively speaking, ASEAN's dependence on China is greater than China's dependence on ASEAN. It will be a great loss for the ASEAN countries, if the Chinese market closed or reduced imports to ASEAN. It might be the reason why ASEAN countries are scared by the rise of China's economy. The European Free Trade Union was established in Europe as early as 1960, which formed the world's largest free trade zone with the European Community later. The two gradually developed into the current EU. The EU has a complete set of legal systems covering the politic and economic, so that it could deal with countries such as the United States according to the law and measuring orderly.

During the process of economic integration, ASEAN has no complete legal system, hyper-national efficient organization like EU or dispute resolution agency within ASEAN. The issue of leadership within ASEAN is also ambiguous at the same time. Only by unifying foreign policy and unifying the positions of ASEAN countries will it help the development of ASEAN economic integration and contribute to the timeliness of China-ASEAN cooperation. What is more, in the process of economic integration within EU, it formed a system which takes France and Germany as the core of economic development. However, there is no such a leading country within ASEAN.

Thailand, Indonesia, Malaysia and other countries within ASEAN are basically at the same level of development phase, so they cannot be the leading countries. This is a question which is urgently needed to solve for ASEAN. So it is worth discussing whether China is could be a leading country of ASEAN on the aspect of economic cooperation. China could play a leading role in ASEAN in the economic sphere on the basis of the five principles of peaceful coexistence, which could use the China's great potential of economic development to win over ASEAN countries to move closer to China. At last, the Chinese government has always advocated the strategy of "bring in" and "go global", but when responding to this national policy the Chinese enterprises must pay attention to benefiting the local community and protecting the environment so that it enhances the enthusiasm of the

ASEAN countries to attract foreign investment and reduce investment barriers for China.

Multinational enterprises should try their best to understand the host country's customs and realize actively the localization of enterprises; improve the sense of social responsibility and establish a good corporate image; handle the relationship with the local trade unions properly and take effective measures to improve work efficiency. Only in this way could China reduce the difficulties of its multinational enterprises to smooth the business trade and tight the relationship for each other, which will benefit the communication and development in the future.

CONCLUSION

According to the "hegemonic stability theory" of Keoh Han, the hegemonic structure dominated by a country is very beneficial to the development of a strong international system. The rules of operation will be clear and will be well observed. Gilpine has also argued that if the power in the international competition could concentrate on just one or two countries, this country has monopoly power to dominate the international. Thus, a monopoly structure or hegemony structure formed, in which the strong power is the creation and stability in international relations. Gilpine believes that the most easily destabilizing factor is the imbalance capacity of international members, which will eventually lead to a fundamental change in the internal power of the system. In the study of the Great Economic Crisis of the 1930s, Kindleberger argued that the crisis was cosmopolitan because it did not have a great power or a willingness to take responsibility for the crisis, so he thought that the world order needed a big country to keep stable and bear the responsibility to maintain the world market. Reference to domestic politics, in ancient times, there was also a discussion about the tyranny of the majority, then it would be said that the decentralization of power led to the instability of the international system. And further proposed that the peaceful development of Europe is not only due to its own balance of multi-polar system constraints, but also because the stability of the United States which is the "offshore balance" —to provide public goods, security and cultural output to the Europe. Then the peaceful development of ASEAN, could also learn from these past scholarly studies, because ASEAN already in the unbalanced and unstable multi-polar system, it need an adjacent regional power to assume the responsibility of to establish a stable order, which China is duty less. And if China act as a stable country, then the integration process in ASEAN and China will rapidly accelerate and then developed into an important international system of the world pole, which will at the same level in United States and Europe over the world. So that Concentration the world power will be concentrated and thus the stability of

the world international order would be further promoted. But all of these need to further explore in the interactive development process in the further studies.

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