

Abstract

- 01 Asian Security Concept and its Meaning in Order from the Perspective of Standards, by Dr. Jiang Zhida, Associate Research Fellow at Center of China-U.S. Relations with China Institutes of International Studies, and consultant to the platform for “Free Navigation, Security and Stability of South China Sea” with China Coordination and Innovation Center for South China Sea Studies. After the end of the Cold War, the connotations of power and security have undergone significant changes. Traditional security concepts based on confrontation between the two military blocs during the Cold War no longer live up to the development of the situation in Asia. Advocacy for a new security concept becomes an objective demand of Asia and historic necessity. The Asian new security concept proposed by China is not only a great innovation in itself, but also a significant change in security norms and order. The advocate and practice of the Asian new security concept will lead the transition of Asian order from the model of external-generation to internal-generation, from the model of conflict to cooperation and from the model of power to mechanism-formulation.
- 12 Indian Ocean Is an Important Direction for China to Realize its Strategic Extension in the 21st Century, by Professor Song Dexing, Director of Center for International Strategic Studies, University of

International Relations in Nanjing, and Guest Research Fellow with CPDS. The Indian Ocean is highly significant to China in the 21st century for that it does not only provide China with energy security and development interests, but also affects China's overall diplomatic layout and China's efforts in constructing China as a marine power. As a result, the Indian Ocean becomes an extremely important direction for China to realize its strategic extension in the new century. Consequently, China should be fully aware of what special geostrategic features the Indian Ocean has and what challenges China will face in the region. Only in this way, China will be able to find a proper approach to make reasonable use of the Indian Ocean.

- 23 **The Development of Indian Foreign Relations in Recent Years and its Impact on China-India Relationship,** by Dr. Li Li, Assistant Research Fellow at editorial board of South East Asia and South Asia Studies of Yunnan Academy of Social Sciences and Qiu Xinfeng, graduate student with Institute of International Relations of Yunnan University. While regarding the relationship with South-Asian neighboring countries as the first priority of its foreign policy, India continues to deepen its “Look East” policy, with emphasis of enhancing relations with major powers outside the region and loses no time in furthering its relations with Central European and African countries by proposing a new diplomatic concept of “connecting India with Central Asia”. In so doing, Indian external relations showed a developmental trend of all-dimensional, multi-tiered and highlighting the focus. This could bring chances of cooperation for China-India relationship, and also could cast shadows on China-India relation. Still, the potential of cooperation is far greater than conflict and the possibility of achieving a win-win situation is more likely.

- 38 **A Brief Analysis of U.S.-Vietnam Comprehensive Partnership**, by Yu Xiangdong, Professor at Institute for Vietnam Studies with School of Marxism Studies, Zhengzhou University and Song Xiaosen, graduate student of world history with School of History at the same university. After experiencing a long period of adaptation since the normalization of relations between the U. S. and Vietnam, Vietnamese President Truong Tan Sang and the U.S. President Barack Obama signed a “joint statement” in July 2013, announcing the establishment of comprehensive partnership between the two countries. The U.S.-Vietnam comprehensive partnership is the result of gradual development of their relationship in the post-Cold War period, and it is also the result of rapid improvement of their mutually-benefited strategic relations especially when the U.S. is implementing rebalancing strategy in the Asia-Pacific. The comprehensive partnership covers wide-range areas of cooperation, will give impetus to the development of U.S.-Vietnam bilateral ties, and will also have certain degree of impact on Asia-Pacific geopolitics and on China-Vietnam relationship as well.
- 52 **The Development of Laos with Big Powers Involvement and their Rivalries**, by Dr. Wei Jianfeng, lecturer of a PLA unit and Dong Xiaoguang, regimental officer from the PLA. Laos initiated the reform and opening-up policy in 1986, yet its multi-faceted diplomatic policy has not been carried out until the arrival of the 21st century. Encouraged by political globalization and integration process of the ASEAN, Laos’ all-round diplomatic setup began to take shape and show positive results and its relationship with a number of countries continued to grow. At the same time, some big powers, such as the United States, Japan, India, Russia, the European Union and other international organizations start to increase their economic assistance and

cooperation with Laos, which lead to a “soft power” rivalry between them and Vietnam and China. This has produced quite far-reaching effect on the bilateral relationship between China and Laos.

- 65 **The Central Asian Region: Security Situation and its Future Development Trend,** by Professor Ma Jianguang, Deputy Chief Engineer with School of Humanities and Social Sciences of National University of Defense Technology, and Zhang Chao & Sun Ran, graduate students at the same School. Because of its peculiar geographical locations, rich energy reserves and complicated political and social environments, the Central Asian region plays an important role in international political competition. By adopting regional security complex theory on analyzing regional security, this article attempts to straighten out the development process of the regional security situation, defines the type of Central Asia as an independent regional security complex, and discusses its development in light of interactions at both regional as well as global levels so as to come to a judgment on its development trend in the future.
- 75 **FTAAP against the Backdrop of Game between TPP and RCEP: a Dream or a Reality?** by Quan Yi, Member of CNCPEC, Chief Editor of the *Asia-Pacific Economics Journal* of Fujian Academy of Social Sciences and Research Fellow at Institute for China-ASEAN Studies with Guangxi University. Right now, quite a few special features have emerged in the process of regional economic integration in the Asia-Pacific region, which characterized as multi-framework, multi-level, high standards, wide coverage and with emphasis on non-traditional benefits of strategic interests. But the potential risks in the implementation of Regional Trade Agreements (RTA) also begin to emerge. Too

many RTAs are mutually interrelated and overlapped, forming the so-called “spaghetti-bowl effect” and the negative effect of increasing management costs. These factors led the tendency of regional integration shaping to the competition between TPP and RCEP, and the Asia-Pacific region is faced with a situation of institutional division and fragmentation. How to revitalize the vitality of APEC and promote RTA process under the APEC framework will be a big challenge.

- 90 **The U.S.-African Relationship in the Wake of the U.S.-African Summit**, by Dr. Wang Xinying, lecturer at School of Marxism Studies with Dalian University of Technology. The First U.S.-African Summit was held under the backdrop that the U.S. strategic goals to Africa are getting clearer and the focus of attention given by the international community to the continent is increasing. It is obvious that the U.S. will further strengthen its ties with Africa and put them as an important part of U.S. foreign policy. The summit provides the U.S. and Africa with an important platform for enhancing their political, economic and strategic cooperation. The two sides achieved a series of important results at the summit, especially in the fields of economic and trade cooperation. But the strategic appeals of the two sides haven't been fully realized, so the prospect of the summit is still worth watching. As the importance of Africa in international affairs increases, the U. S. will attach more attention to Africa, thus US-Africa relationship will be deepened. However, there still exist some fundamental differences in such aspects as areas of cooperation, methods and concepts between the two sides. Apart from that, the US-Africa relationship also faces certain degree of uncertainty due to the impacts of the political and economic situation both in international and domestic fronts.

103 A Sorry Plight and Way Out for the Democratic Politics in Thailand, by Zhang Xizhen, a professor at the Department of International Politics with the School of International Relations in Peking University, and a visiting professor at the University of Law and Politics in Thailand. In May 22, 2014, the Thai Army staged a coup d' etat, putting an end to a half-year-long political crisis in the country. Several decades have passed since Thailand initiated the process of constitutional democracy, during which time several coups by the military had ended political crisis and social instability in the country. This can only be seen as a grief to democratic politics in Thailand. Political history of Thailand proves that the beaten track of coping the Western democracy or a dictatorship by the military over a long period of time, will get nowhere. Then where is the way out in the future? This author believes that, perhaps a powerful and authoritative government which is guided by a course of national modernization drive, will take economic development of the country at the center of its work. By persisting in prioritizing national interests and improvement of people' s livelihood over partisan interests, its goal of effecting a permanent cure to the country' s governance, will gradually be achieved after many years of hard work.

Asian Security Concept and its Meaning in Order from the Perspective of Standards

By Jiang Zhida

I. Current Asian Security Features

At present, Asia is one of the regions in the world where economic cooperation between various countries is brimming over with vigor and vitality on the one hand, while on the other hand its development prospect is in a stew because of growing complexity of its security environment. In some parts of the region, “security predicament” and even “security of peril” emerges in their wake. Generally speaking, security situation in Asia has presented itself as in the following three main features:

A. Traditional and non-traditional threats are interwoven with each other and new threats and challenges continuously emerge

Right now, traditional threats facing Asia not only have not disappeared altogether but instead have become even more complicated and confused. The Korean nuclear issue in North East Asia is full of twists and turns. Bitter rows over islands sovereignty and maritime rights are heating up. Due to lack of mutual confidence, some countries find themselves in the mire of “security

predicament” in one way or another. Asia also faces a series of non-traditional security challenges and some of them are quite conspicuous. Among them, many traditional and non-traditional security issues are mutually mingled together and one exerts influence over the other, thus leading to the emerging of new threats and new challenges. By making full use of its high-tech tricks, the United States tries to wiretap communications worldwide, mounting new challenges to national security of other countries. And some countries and groups with ulterior motives have turned their sophisticated biotechnology to their advantage and “quietly” carried out their military and political designs by means of the so-called “biological weapons” in bio-species intrusion, spread of major diseases and bio-violence, etc.

B. Regional security games increasingly become complex and military blocs develop contrarian

After the end of the Cold War, Asia enjoys sustainable economic growth and regional economic integration is still making progress. Major developing countries, such as China and India, rise up speedily. In face of never-ending changes and development in Asia, the United States would have to get involved in Asian regional integration process with an open heart, and jointly promote peace and development by working cooperatively with China and other emerging countries. Far from doing so, it began to “pivot to Asia” high-profile, implement “rebalancing to Asia-Pacific and air-and-sea battle plan”, strengthen its traditional alliance relationship with Japan and ROK, create various kinds of contradictions in Asia and incite regional arms race. At the U.S. instigation, some countries in East Asia make changes to their security policies, which have greatly complicated the rivalries over security in the region. Japan’s Abe government avails itself of the U.S. implementation of rebalancing strategy to speed up its defense capabilities, quicken the steps in amendment to the Constitution and augment its military forces, with

an aim of lifting restriction on the rights of collective defense. On the Diaoyu islands issue, Japan insists on taking a tough stance and strengthens its security countermeasures against China. Counting on the U.S. support behind the scene, a small number of ASEAN countries stir up incessant provocations on China's maritime rights in the South China Sea. In an effort to strengthen the alliance system in Asia, the U.S. openly supports Japan, the Philippines and other countries to confront China. For taking more countries under its wings, the U.S. attempts to build up a so-called "encirclement ring" to contain and deter China. This kind of conduct by the U.S. is nothing but a product of the zero-sum game of the Cold War mentality, which can easily invite new challenges to the stability and development of various countries in the Asia-Pacific region.

C.Regional security cooperative mechanisms are numerous but none of them covers the whole Asia

Because of the clear disparity in the level of economic development and the cultural, religious and geographical differences, there are numerous sub-regional organizations in the region, but no platform for security and political dialogue that can represent the whole of Asia. For this reason, an external big power exploits the situation to have a hand in regional security affairs. It intensifies contradictions and clashes between various countries in Asia by knocking together a regional security mechanism with itself as the core. As a result, regional security cooperation is going slower than economic cooperation. At this moment, the security mechanisms in East Asia can be characterized as multi-lateral, multi-functional, multi-purpose, cross-correlation and intercrossed between the official and non-official organizations. However, there is still no security cooperative framework that covers the whole of Asia, serving the needs of various sides and in keeping with actual realities of the region. Right now, many security frameworks in the Asia-Pacific region are either sponsored or promoted by ASEAN, such as the East Asia Summit,

ASEAN Regional Forum and Enlarged Meeting of ASEAN Defense Ministers, but they are not quite enough. The other frameworks are those that are sponsored by the West, such as Council for Security Cooperation in the Asia Pacific and Shangri-La Dialogue. The former ones, in sponsoring and promoting security cooperation in the region, have been either constrained by their own defects or edged out by the alliance system. So it is difficult for them to play a leading role in building up a regional security order. The latter ones are used as a tool by the U.S. and Western countries to play a leading role in the security order of East Asia as well as to guard against and contain China's rise. Therefore, "it is imperative that a regional security framework to be set up in line with regional realities and meet the needs of all parties." Under such a complicated security situation, countries in Asia are badly in need of new security concept that can be formulated to effectively manage and control differences and conflicts, find some common grounds for cooperation and maintaining peace and security. At the Summit of the Conference on Interaction and Confidence Building Measures in Asia (CICA), the new Asian security concept initiated by President Xi Jinping which characterized as common, comprehensive, cooperative and sustainable security, is just exactly the right time to meet the needs of the development in our time.

II. Standard Meaning of Asian Security Concept

How to deal with these security challenges in view of the complicated and diversified security issues in Asia today? To answer this question, the key is what kind of security concept you are talking about. On the issue of regional agenda, is it proper to insist on seeking common security or seeking absolute security for oneself? On the issue of security cooperation, is it better to be open-minded and inclusive or to form clique? On the issue of state-to-state relationship, is it proper to persist on peaceful coexistence or to resort to mutual

threats? On the issue of upholding interests, is it better to seek for win-win results or seek “you lose and I win” results? All told, the answers to those questions are how you will respond to those security challenges of Asia, whether to face them with the old ideas and methods left over by the Cold War or with the new ones in face of the 21st century. In general, new Asian security concept mainly has the following three basic standard features:

A. Development

Today, countries in Asia maintain a favorable momentum of stability and thriving as a whole. This has been achieved ever since they lose no time in their developments. Asia is now the most dynamic region in the world, bursting with vitality and great potential. China attaches great importance to regional security in light of development, believing that development is the biggest security and sees it as a “master key” to solve regional security issues. A series of outstanding development issues still remain and confront Asian countries, placing major constraints on further improving regional security. It is therefore that countries in Asia should give main focus on development and continue to lay a sound foundation for security in Asia by actively improving livelihood and narrowing the gap between the rich and the poor. China will continue its commitment to building good neighborly relationships and partnerships with neighboring countries, bringing harmony, security, prosperity and inclusiveness in its neighborhood diplomacy, and try its best to deliver more benefits to other Asian countries. Together with those countries concerned, China will accelerate the steps of building the Silk Road Economic Belt and the 21st Century Maritime Silk Road, early start the opening of Asian Infrastructure Investment Bank and further deepen involvement in regional cooperation processes with an aim of pushing security and development in Asia to the track of achieving mutual progress and benefit, so as to complement each other.

As one of the core principles of Asian security concept, “development” requires countries in the region to cherish the hard-won situation of stability and development and jointly resist the negative remarks and conducts about regional development. The world is now in dire need of a sustainable, stable and harmonious Asia. External countries should take an active part in preserving good momentum of development in Asia, and by playing a constructive role, jointly push forward the speedy-car of Asian development to move even faster and steadier. If only sustainable economic development can be achieved, then Asian security and peace will be guaranteed.

B. Cooperation

Cooperative security is to provide various countries and the region with security by means of dialogue and cooperation. It is a kind of perception or model that can be applied to achieve international or regional security through wide-ranging cooperation between countries in political, economic and other areas and gaining security goals by respective countries; it is also a kind of important strategic option to deal with security predicament or a kind of non-confrontational model that can be used to achieve security. Cooperative security is based on the idea of inter-dependency and calls for insurance of security by peaceful means and by entering into political and security dialogue among the conflicting parties over security interests, thus protecting peace in the region and the world. In this sense, cooperative security is a comprehensive and common security. Not only countries with the same view can sit together and talk, but also those countries with conflicting views on security interests are able to get together and conduct security dialogue. So it is open and non-exclusive; it is also extensive, consisting cooperation not only in traditional security areas, but also in non-traditional security areas, including political, economic, human rights and environmental protection.

It is worth mentioning that, although bilateral or multilateral military alliance are also security cooperation one kind or the other, there exists substantial distinction between the military alliance and cooperative security in standards. The military alliance is exclusive, zero-sum and directed against a third party implicitly or explicitly, while cooperative security is an active security with opening, inclusiveness and win-win results.

C. Inclusiveness

Inclusiveness means accommodating and tolerance. It is a positive attitude transcending tolerance and an endeavor to promote harmony in international relations. Inclusiveness means not to impose one's wills on the others; it also means not to treat the interests of different countries with entirely conflicting views and not to regard state-to-state relationship as those of gains in zero-sum game. It also holds true that "not to make use of opportunities of all forms in the changing international environment opportunistically and not to give priority to the use of force in gaining benefits from the other side". Those are the basic requirements for China to follow in its efforts to build a "Community of Shared Destiny".

Asia is vast in territories, with different sub-regions having distinguishing features, and the most diversified continent in the world where different nationalities, religions and civilizations meet. The region is unique in its diversified development path. The Asian security concept recognizes the varieties and manifold colors of the world and the diversification of different countries in the region. The security cooperation is all inclusive, the main participating bodies can be state actors with different social systems, ideologies and national strengths, or can be similar or identical actors.

III. Impact of the Asian Security Concept on Regional Order

Practices of international politics since the end of the Cold War

have repeatedly proven that regional security framework guided by the military alliance is not stable by itself. It has been changed into one of the unstable factors in the region, lagging behind the development of our times and security requirements of the regional security, and has to be abandoned. But the U.S. runs against the current of the times and continues to enlarge the alliance system and form clique, with a hope of bringing in more countries to its wings in forming a so-called “encirclement ring” aimed at containing and deterring China. These actions on the part of the U.S. are the same as tearing up security and cooperation in Asia-Pacific region, resulting in the increased risk of turmoil in the region.

Asian security concept is a standard perception, and in essence a perception in order. It has been raised under the backdrop of tremendous changes and transformation in international order, thus it carries an important theoretical and practical guiding significance. General speaking, the impact of Asian security concept on regional order can be felt in the three “transitions” .

A. Asian security concept will lead the transition of Asian order from the model of external-generation to internal-generation

After the end of the Cold War, economic growth of Asian countries has been accelerating and regional economic integration deepening. Asia has become the region with the most dynamics and potentials in the world, showing the trend of collective rising-up. However, in contrast to the economic development, Asia has never escaped the fate of being controlled by outside powers during the nearly 70 years after the end of WWII. The roots of this phenomenon can be found in the perception of Western superiority theory. The U.S. substitutes the diversity and divergence of world development history with the characteristics and rules of its own security development history, and manages international order of other regions with its values, standards, system and mechanism framework, to achieve the goal of maintaining its predominant position in the world at the expense of

the interests of other regions and countries. The way the U.S. has done in putting its own security interests above the others, has proven to be one of the important roots of world instability.

Asian security must be handled by Asian countries themselves, because only Asian countries know what they want the most and what their wishes are. As Asia gains more weight in world economic and strategic setup, the appeals, confidence and abilities of its peoples in getting things done by themselves have increased. Therefore, President Xi's initiative of new Asian security concept has been warmly welcomed by various countries in the region because it conforms to the requirements of our times. The success of CICC Summit in Shanghai has promoted the strengthening of dialogue and increased mutual trust between various countries in the region. Asian security has begun the transition from the model of external-generation to internal-generation.

B. Asian security concept will lead the transition of Asian order from the model of conflict to cooperation

As globalization and regional integration develop in greater depth, mutual dependence between countries in the world will continue as well. In the meantime, traditional security threats are mounting and pose great threat to human society as a whole. While non-traditional security threats have the characters of diffusivity and correlativity, so a clear need exists for all countries to cooperate to deal with them. On account of the diversity and multiplicity of security threat, it becomes a realistic requirement and common desire for all countries in the region to seek and promote peace by way of cooperation. Unlike other parts of the world, security order in Asia now is still built on the basis of conflict and confrontation. The U.S. security concept is based on the perception of "dual antagonism". It regards the development and reasonable increase in military capabilities of other countries as a threat and challenge to its national security, thus seeing them as rivals or potential rivals. The U.S. strengthens its

alliance system in Asia and tries to encircle and contain China by means of those alliances, in order to preserve its leading position in Asian security and its own absolute security. It is clear that military alliances lay stress on antagonism, and for this reason the U.S. even goes so far as to fabricate some security threats and uses them to prove the legitimacy of military alliances.

Facts prove that the U.S.-led military alliances have already hindered the development of integration and brought about great damage to the region. In order to pursue its own absolute security, the U.S. has caused insecurity of other countries, and created tension and instability in the region. China proposes new security concept and the core values of which lie in openness, inclusiveness and cooperation with win-win results. Meanwhile, China promotes mutual political trust and security cooperation and attaches great importance to building a collective consensus between countries in Asia by pushing regional cooperation forward. Cooperative security will also become the universal code of conducts for the whole Asia.

C. Asian security concept will lead the transition of Asian order from the model of power to mechanism-formulation

With major developing countries like China and India rising to power, the U.S. still follows a traditional power perception of realism. It tries hard to restrict and even disrupt the ascendancy of the developing powers and preserves its hegemonic position in Asia. The implementation of “rebalancing” strategy in the Asia-Pacific is exactly the actual edition of the U.S. power politics. But this strategy has been conditioned by two factors: first, most countries in Asia want to be benefited from China’s development, they are unwilling to make enemy with China; second, handicapped by the relative decline of power, the U.S. is falling short of willingness to implement rebalancing strategy for long. Besides, non-traditional security threats arise and pose great challenges to the security of Asian countries. In order to solve those security issues, special need exists to pool

wisdom and efforts of every country in jointly managing the situation, and this calls for setting up various governance standards and security platforms by countries in equal and consultative manner. Realistic power perception and balance of power policy followed by the U.S. can neither be able to hold back the legitimate rights of peaceful rise by China and other developing countries, nor be able to resolve the complicated security challenges that Asia faces.

The Asian security concept underlines the need to jointly build security for the region by all countries on an equal footing. All of them are entitled to take part in regional security affairs equally and also duty-bound to ensure collective security of the region. No country is allowed to monopolize regional security affairs or to encroach on the legitimate rights of other countries. What China proposes and aims at is that, all Asian countries are equal partners and able to pull all their efforts in tackling major issues in security areas. As a regional power, China has no intention to simply provide Asia with public products, since that does not conform to China's own interests, nor to its abilities, and even not to the current of our times. Recent trends suggest that Asian affairs should be handled only by the Asian people themselves. It is unfeasible to set up military and political alliances of an exclusive nature to deal with a particular country or country bloc, instead extensive dialogues and cooperation should be encourage.

(The author is Associate Research Fellow at the Center of China-U. S.Relations with China Institutes of International Studies,and consultant to the platform for “Free Navigation, Security and Stability of South China Sea” with China Coordination and Innovation Center for South China Sea Studies. This article was finished on August 10, 2014.)

FTAAP against the Backdrop of Game between TPP and RCEP: a Dream or a Reality?

By Quan Yi

I. The Regional Economic Integration Process in the Asia-Pacific Region

A. The rise of economic integration in the Asia-Pacific region

Since the beginning of the 21st century, with the speeding up of the economic globalization, regionalization has become a major global trend, as the FTAs rampantly increased around the world. East Asia will become a focus, where big powers compete for members with favorable free trade agreements, as most of the new FTAs in the world are related to Asian countries. The rampant increase of the FTAs in Asia has aroused great concern of the spaghetti-bowl effect in the region. The dependency of East Asia on spare parts trade is much higher than those of North America and Europe. The smooth trade mechanism formed by international production networks and much relied upon by the East Asian economies is being threatened by the mushrooming bilateral free trade areas, which has caused great disorder in the FTAs and fragmentation in the Asia-Pacific region. The spaghetti-bowl effect expressed mostly in the form of ROOs has made the operation cost rise for the enterprises, especially for small and medium sized ones, which may in the end damage the normal functioning of the production networks among the East Asian economies and baffle the deepening of the economic integration in East Asia. As a result, a trade agreement for a much larger area is needed to check these overflowing bilateral trade agreements. The

proposition of TPP, RCEP and FTAAP respectively is just the outcome of the pressing situation.

B. The US-dominated Asia-Pacific approach: from APEC to TPP

Since its birth in 1989, APEC has been a major force pushing forward the regional cooperation in the Asia-Pacific region, which has indeed made great contributions to the economic cooperation and regional integration process in the region by implementing the unilateral action plans put forward by member states and fulfilling the commitment made at the informal meetings of leaders. But since 1997, the Asian financial crisis has altered the economic landscape for APEC and the setbacks of the new round of the WTO negotiations as well as the none-mechanized characteristics of APEC have frustrated the regional cooperation in the Asia-Pacific region. Since the beginning of the 21st century, although member states have made great efforts to explore ways to stimulate the vitality of APEC, the defects of APEC, have made these efforts almost fruitless, as the former has made it possible for non-member states to take a free ride and the latter lowered the effectiveness of liberalization. As a result, the US suggested that APEC be institutionalized and made a venue where negotiations with binding forces are conducted and rules are made, which will lead to a FTA across the Pacific Ocean. In February 2004, APEC Business Advisory Council raised the idea of setting up FTAAP, which was supported by the US, but opposed by some developing countries in East Asia. As this initiative met setbacks, the US began to probe a new way to push forward FTAAP by joining in and dominating the negotiation process of TPP. In the future, with potential members joining in and its coverage extending to the whole region, TPP is likely to become a FTA of the Asia-Pacific region. TPP has the following features: full market access, complete regional agreement, overlapping trade problems, new trade challenges and flexible protocols.

C. The ASEAN-dominated Asian approach: from 10+1 to RCEP

Since the US joined in and dominated the TPP negotiation process in 2008, not only the big powers of East Asia have taken an active

part in, but also about a half of the ASEAN member states have lost no time to participate, which has made TPP expansion accelerated and the center of East Asian FTA shifting to the Asia-Pacific region with the American dominance gradually showing up. As a result, ASEAN began to fear that TPP will usurp its dominance over the regional economic cooperation in Southeast Asia, and moreover feared that some member states joining TPP will aggravate the centrifugal tendency. Under such circumstances, although ASEAN held aloof in the debate between China and Japan on the economic cooperation model in East Asia in the past, it now raised the idea of RCEP out of the fear that its influence would diminish. At the end of August 2012, the ASEAN 10+6 meeting of economic ministers reached a substantial consensus on the RCEP negotiations and signed the RCEP Negotiation Guidelines and Objectives, which planned to start the negotiation process in 2013 and end it by 2015. The approach to FTAAP on the East Asian mechanism will be that ASEAN will be taken as the axis and a FTA will be gradually formed around it, which will include the ASEAN countries, China, Japan, ROK, Australia, New Zealand and India, and later on incorporate countries on the other side of the Pacific Ocean to form a FTA of the Asia-Pacific region in the end.

Currently, the Asian mechanism dominated by ASEAN and the Asia-Pacific mechanism dominated by the US are as a matter of fact the two major approaches to the much broader regional integration process in the Asia-Pacific region after years of game and evolution. Which of the two is better is not yet clear, as they are still at the negotiation phase and how many countries will join in as well as what the extent of liberalization will be are not known until all the negotiations are completed. Now, it is really hard to tell which is better.

II. The Game between TPP and RCEP and its Impact on the Construction of FTAAP

Since their emergence, TPP and RCEP have been locked in a game. Faced with the fast expansion of regionalism in Asia, the US is afraid of being excluded from the regional economic integration process in East Asia. After its proposed FTAAP was snubbed in 2006, the US made a high-profile announcement that it would join in the TPP negotiations, which was believed the best way for the US to deepen its economic relations with the fast developing economies in the Asia-Pacific region, raise the level of its economic and diplomatic interest, and lay the foundation for FTAAP to be completed in ten-year's time. On November 20 of 2012, during the meetings of East Asian leaders held at Phnom Penh, Cambodia, leaders from 16 countries, including those from ASEAN, jointly issued the Joint Statement to Start the RCEP Negotiations. On the same day, trade ministers from China, Japan and ROK held a meeting and jointly announced that the China-Japan-Korea FTA negotiations be started. The start of China-Japan-Korea FTA negotiations and the RCEP negotiations is seen as direct response to the US-dominated TPP. Especially, the start of the RCEP negotiations is seen as a "formal declaration of war" on TPP. As a result, competition between RCEP and TPP cannot be avoided.

As they have the same objectives, namely trade liberalization and economic integration, RCEP is deemed as the natural enemy of the TPP negotiations. Comparatively speaking, the objectives of TPP are much grander, as it strives to build a FTA that will further liberalize trade in the Asia-Pacific region, and aims at high-standard regional economic integration. In contrast, the RCEP framework initiated by ASEAN is aiming at incorporating the relative FTAs that have existed into a regional economic agreement, as ASEAN has already set up FTAs with such non-member states as China, ROK, Japan, India, Australia and New Zealand. Of course, RCEP intends to set up a FTA with deeper economic cooperation than these existing FTA agreements can offer. The major difference between TPP and RCEP is that TPP is seeking a much further integration: in addition to

promoting goods, service and investment trade, the TPP negotiations are also concerned with other issues such as intellectual property rights, while RCEP is a regime that is somewhat a little more than the WTO protocol, which emphasizes the trade of goods and some service trade and investment trade.

Relatively speaking, TPP is more attractive to the developed economies, whereas RCEP is more attractive to the developing economies. Although the TPP negotiations not only cover general FTA issues, but also provide key clauses that facilitate the new generation of economic integration, there are some requirements that the developing countries can hardly meet. Unless TPP designs a unified concession and commitment for all the members, it cannot overcome the overlapping FTAs in Asia (the spaghetti-bowl effect), but adds one more bowl of spaghetti to the existing bowl instead. In contrast, RCEP is more flexible, for it allows any solutions through consultation and the ASEAN countries to have special and differential treatments, which takes the demands of all the member states into full consideration and better meets the need of the supply chain and innovation. In addition, China and India are not yet members of the TPP negotiations, but have joined in the RCEP negotiation, which has surely made RCEP relatively different from TPP. Therefore, the separate development of TPP and RCEP is likely to lead the Asia-Pacific region into a system division. From this we can see, both TPP and RCEP belong to broad category of integration and their members are overlapping in the Asia-Pacific region, whose development will influence each other and lead to mutual overhead. Whichever develops fast and better will set up new trade rules in the Asia-Pacific region, and introduce trade standards favorable to those who dominate the regime, which means that the better positioned ones will take more initiatives in trade in the future. Alas, the competition and friction between the two cannot be avoided, which will exert serious negative influence on the integration process in the Asia-Pacific region.

III. The Objectives, Approaches and Methods for Constructing FTAAP

In November 2010, the APEC leaders, on the basis of the past feasibility studies, specially issued the Way to Realize FTAAP as an appendix to the Yokohama Declaration of Leaders, which has recognized FTAAP as a long-term objective and stated clearly the major approaches to its realization: the US-dominated TPP, East Asia FTA (10+3) proposed by China and East Asia Comprehensive Economic Partnership (10+6) initiated by Japan. At the APEC 2014 annual meeting, China will continue to propose FTAAP and take it as a way to recreate the spirit and vitality of the APEC big family and promote the realization of the Bogor goals in 2020. Presently, China's promotion of FTAAP does not mean to check TPP, but out of concern that TPP might lead to the division of East Asia, which will exert adverse effects on the economic development of East Asia as well as the other side of the Pacific Ocean. Therefore, China expects to restore APEC activity and attaches great importance to the construction of FTAAP.

The US believed that TPP is the only way to FTAAP, and the idea of the US and Japan is to complete the TPP negotiations first and then introduce the TPP rules governing trade and investment to all the APEC members including China, and set the FTAAP framework on such a basis. But many observers are skeptical of it. Some scholars held that although TPP may lay the foundation for FTAAP, the success of FTAAP cannot be made without RCEP, as TPP not only denied the central role played by ASEAN, but also excluded China and India, while RCEP is more inclusive than TPP and widely recognized as well as supported by the Asian countries. RCEP, dominated by ASEAN, will lay down the new rules: first, draw up rules that will be conducive to the adjustment, upgrading and functioning of regional and international production networks; second, coordinate and fuse the economic policies, regulations and administration within the region to facilitate the flow of goods,

services and investment; third, work out and implement economic cooperation rules that are conducive to improving the regional economic development environment. In this sense, RCEP is “the East Asian version of development round”. The new rules formulated by RCEP will be more conducive to the economic development in East Asia, and will also provide rewarding experiences for other regions and developing nations in particular, which will increase the attractiveness and influence of East Asia to the outside world.

China believes that regional economic integration should be strengthened within the APEC framework and insists that the year of 2020 when the Bogor goals should be realized be the timetable for the completion of FTAAP. China as well as other East Asian countries deemed that China-Japan-Korea FTA and RCEP are also ways to FTAAP. China even believed that such grand FTA negotiations as TPP and RCEP may serve as the basis for the construction of FTAAP, while wishing that the TPP negotiations be based on RCEP and the two be incorporated into FTAAP. American scholar Peter Paiterui held that this two-track model will lead to the TPP led by the US and the Asian way led by China. If the two tracks developed separately, members of each regime would benefit from each of them, and if the two were merged, their members would benefit more. By 2025, not only the Asia-Pacific countries but also the whole world would reap the benefits.

Will the 2014 meeting of APEC leaders have the capability and will to draw up a working frame and a road-map for FTAAP? To formulate a document may be easy, while it is difficult to make practical progress. First of all, the US and Japan would not be interested in FTAAP before some agreements are made on TPP. The US and Japan should change their intention and deeds to contain China, and work towards constructing a new model of major country relationship of inter-dependency and mutual benefits by coordinating with China in the construction of FTAAP. Secondly, the East Asian countries need to put their efforts on the RCEP negotiations. As the ROOs formulated by the US have huge corrosion effects on the supply

chain and production networks in East Asia, the East Asian countries do not want to see the international production networks in East Asia damaged by TPP, nor would they like to see the East Asian Community that they worked so hard on over the past 10 years vanished. As a result, the East Asian countries are currently concentrating their efforts on the RCEP negotiations, which will consolidate their production networks. The US should change the closure and selectivity nature of TPP, abandon the approach of rejecting China and coordinate with China to promote the FTAAP process.

At the 2014 APEC annual meeting, China hopes to push forward the FTAAP process within the APEC framework and draw up a timetable as well as a road-map for FTAAP. The following may be the ways or methods for the realization of FTAAP:

First, the achievement of the Bogor goals in 2020 may serve as the timetable for the construction of FTAAP.

Second, lay the foundation for FTAAP by promoting sub-regional economic integration. Currently, the ASEAN Economic Community has reached the target of 80% integration. The Pacific Alliance has adopted such methods as integrating the Latin American securities market, reaching an agreement of air services and cutting all the tariffs to realize the in-depth integration goal. If the TPP and RCEP negotiations are completed, they will be the most popular free trade agreements. As all the above mentioned regional frameworks can lead to FTAAP, what we need to do is to find out the way to integrate all the existing approaches smoothly. First of all, it is needed that all the existing regional frameworks remain open and transparent. Secondly, how to incorporate the good features of the existing regional agreements into FTAAP? Just like what RCEP is doing, FTAAP may choose to integrate the greatest common divisor of the existing small scale regional cooperation commitment, namely integrating the major issues and contents of the TPP and RCEP negotiations out of the need of the situation. This is not replacement of one regional arrangement with another. Only in such a way, can FTAAP be made sure to

satisfy the interests of most of the members. Currently, it is important to make sure that TPP and RCEP remain open and engage in dialog. Last, establish a full consultation procedure, which allows all the economies of APEC to join in the negotiations. Presently, the rules governing the TPP negotiations remain strongly exclusive, as new members can only join in the negotiation process after separate negotiations are conducted with each member states and their consent obtained, which will greatly increase the negotiation cost for the new members. The APEC leaders should lay out new principles for the FTAAP negotiations, which will take new members into the negotiation process as long as they accept the negotiation rules, topics and contents established by FTAAP.

Third, strengthen the capacity-building of APEC and the interconnection plan. Many less developed nations in APEC lack the ability to meet their commitments and need to engage in capacity-building. For the developing countries, the issues of infrastructure construction and human resource development are more pressing. Therefore, infrastructure construction and getting interconnected are practical steps of capacity-building for FTAAP. In 2013, the APEC annual meeting took the infrastructure construction and interconnection as major topics of discussion, in which China's proposal to set up the Asian Infrastructure Investment Bank as a practical step was warmly received by the majority of Asian countries. The US, as the most developed nation in the world, should assist the establishment of the Asian Infrastructure Investment Bank.

It is equally important and significant to have system reform and system construction within the region for the establishment of FTAAP. All the new generation free trade agreements assume contents of trade and investment facilitation within the borders, cross-border interconnection, and business environment construction. The national treatment prior to market access and negative list management are all specific requirements of the new type free trade agreements. The APEC leaders should encourage the member states to establish

demonstration zones of free economic areas within their country and lay out rules for domestic free economic areas (or FTAs), which may serve as the best examples for the unified rules reform within the region for other member states.

Last, strengthen economic and technical cooperation among APEC member states. As one of the three pillars of APEC, economic and technical cooperation has been neglected over the years. The developed nations attach great importance to the protection of intellectual property rights, while discourage technology diffusion, and seldom take practical steps in technology assistance and exchanges. Hence, the economic and technical cooperation within APEC has been ineffective over the years. China set up a USD 10 million worth APEC cooperation fund in 2009 to promote the economic and technical cooperation within APEC. In reality, APEC needs to take practical action to push forward economic and technical cooperation as well as innovative growth. China should together with other developing countries promote the construction of mechanism for technical innovation and transfer, and initiate more measures to interact with the developed nations in joint research and development as well as intellectual property rights transfer, in addition to human resource training. For instance, initiate an APEC action plan for environmental products and service technology diffusion, and propose practical plans for environmental products and service cooperation; promote the cooperation of small and medium sized enterprises and their innovation capability within APEC, and propose to establish the APEC intellectual property rights exchange center, which would promote the transfer or transaction of the expired patents among the APEC countries as well strengthen technical cooperation and progress.

(The author is Member of CNCPEC and Chief Editor of the *Asia-Pacific Economic Journal*, Fujian Academy of Social Sciences. This article was finished on August 11, 2014.)