

**China's Activities to Revise Global Governance Norms:
Emerging Trends from Mainland Southeast Asia**

Testimony to the U.S.-China Economic and Security Review Commission Hearing:
"A 'China Model?' Beijing's Promotion of Alternative Global Norms and Standards"

Bradley J. Murg
Assistant Professor of Political Science and Asian Studies, Seattle Pacific University

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Chairs Talent and Goodwin, Distinguished Members of the Commission, it is an honor to testify here today. Thank you very much for the invitation to discuss China's activities aimed at the revision of global governance norms – this is a vital topic with serious implications for U.S. public diplomacy, aid policy, and global economic engagement.

Beijing's view of the norms that buttress the formal institutions of governance is indeed a global one; however, its actions have, at this point, most strongly influenced one region: Southeast Asia. This should come as no surprise in that China has long viewed Southeast Asia in general and mainland Southeast Asia in particular as being both essential to its rise towards Great Power status¹ and as something of a testing ground for the rolling out of new initiatives and institutions that, if successful, can subsequently be applied in other regional contexts. It is the place of Southeast Asia as a "testing ground" and the implications thereof for understanding the next steps in China's approach to global governance that I would like to highlight today.

Over the last two years, China's much vaunted Belt and Road Initiative (BRI) began to experience serious popular blowback in light of concerns ranging from debt-trap diplomacy to the lack of transparency in BRI programming to regular violations of OECD Development Assistance Committee (DAC) best practice guidelines. The appeal of enormous sums of investment and aid alone proved to be insufficient to moot criticism of Beijing in recipient states in light of its various missteps or miscalculations in BRI's implementation. This reality has yielded a recognition in Beijing – as announced by President Xi Jinping last year - that BRI needs to be reformed if it is to achieve its mission.

The sheer scale of BRI and its status as President Xi's signature foreign policy initiative places it at the center of any discussion of China's approach to the revision of global governance norms and the development of alternative institutions challenging the status quo equilibrium. However, at present, there is a distinct lack of clarity as to how "BRI 2.0" is likely to develop and how Beijing will respond to criticisms by BRI partner states of the initial implementation of the

¹ Zhang Yunling. 2016. "China and Its Neighborhood: Transformation, Challenges, and Grand Strategy," in *International Affairs* 92, no. 4.

initiative. While China has recognized that the roll out of BRI was problematic and significant changes to that initiative are necessary, how it will be reformed and the implications of those changes remains an open question.

Importantly, the issues with BRI directly parallel the situation in Southeast Asia four years ago, when Beijing established the Lancang-Mekong Cooperation (LMC) mechanism partially in response to growing negative perceptions of China within the Mekong states. The allocation of billions of dollars of funding, alone, was insufficient. If Beijing is to successfully take on the role of regional hegemon in Southeast Asia, it requires either an alternative set of institutions to legitimize its role in the eyes of local elites and the population at large or to redeploy existing institutions to support its own interests. Furthermore, it requires a clear, framing narrative to support these institutional changes.

As China climbs the learning curve of public diplomacy and local engagement and attempts to improve its efficacy in those areas across the globe, Beijing's recent initiatives in Southeast Asia are usefully viewed as a set of pilot programs – the outcomes of which are likely to significantly influence how BRI will develop. Uniquely, China's actions in Southeast Asia are able to provide newinsight into the direction of Chinese policy globally in both the short and long terms as Beijing seeks to achieve its own interests while avoiding the perceptions of heavy-handedness and control that have damaged the country's brand in recent years.

Establishing Alternative Institutions: The Development of the LMC

Nearly a decade ago, after years of neglect, China actively re-entered a Southeast Asia where multilateral and bilateral cooperation institutions were already thick on the ground – the Asian Development Bank's Greater Mekong Subregion (GMS) initiative and the Western-supported Mekong River Commission (MRC) being two of the longest standing. Moreover, Beijing has had to engage with ASEAN, which, while suffering from continuing capacity issues, has sought to serve as an entrepreneur of regional norms and as the primary focal point for regional cooperation.

Beijing has been diligent in working to frame its own institutions as entirely complementary with ASEAN – a core element of an official discourse that seeks to frame China as an actor seeking continuity and stability rather than disruptive change. In light of its role as an economic engine for the region since the 2008 financial crisis, Beijing seeks to use the positive externalities of its economic growth and its substantial investment and aid in the region in order to present itself as the status quo player, contra a revisionist, inward-looking United States. While that narrative might seem absurd in Washington, for a generation of Southeast Asians – an ever-growing China that increasingly drives the economies of the region is the only experience they have had of their northern neighbor. The dynamics of China's approach are particularly well depicted by the development of the LMC.

Established through the 2016 Sanya Declaration, the LMC is the most straightforward exemplar of the creation and development of a Chinese-led alternative to established institutions – albeit

one actively designed to avoid precisely that perception. The LMC framework is grounded in three pillars: (i) public policy and security cooperation; (ii) economic and sustainable development cooperation; and (iii) social, cultural, and people-to-people exchanges. These directly parallel ASEAN's pillars, as institutionalized through the ASEAN Political-Security Community (APSC), the ASEAN Economic Community (AEC), and the ASEAN Socio-Cultural Community (ASCC) with the LMC regularly framed as contributing to ASEAN integration as a whole and consistent with the goals of that institution.

Rather than a process of rapid institutional displacement, Beijing's approach in building the LMC has been gradual – the creation of a new, exclusive institution, one with membership rules precluding the participation of the United States and Japan, that progressively adds more and more layers of activity and investment over time until such time as it quietly displaces or undermines pre-existing institutions.

It is in the third LMC pillar, covering socio-cultural matters, that China's actions best demonstrate its new utilization of think tanks and other official and unofficial entities in Southeast Asian states to attempt to legitimize its process of alternative institution building. The Global Center for Mekong Studies (GCMS) – the think tank network of the LMC – was launched in September 2018 with what a representative of a participating partner state think tank (GCMS national centers) have called “breakneck speed.” These were created concomitantly with and in parallel to the LMC national secretariats.²

The various national centers undertake research projects, engage in academic exchanges, coordinate participation of civil society in LMC programming, and provide guidance as to the development of policy initiatives by the LMC. Each national center is delegated the role of “thought leader” and has the responsibility to strengthen advocacy for and awareness of the LMC itself and to coordinate with government institutions in their respective states.³ The credibility of these institutions, all long-standing and influential actors both at the track 2 level internationally and in their respective states, provide an immediate façade of legitimacy for a very new, untested institution.

Each national center has also developed its own advisory committee that brings prominent figures from a very wide range of civil society organizations into the LMC's orbit. These include individuals and entities that by no stretch of the imagination could be considered to be “pro-China;” many of whom have long-standing professional relationships in the United States and whose organizations are recipients of American financial support. Just as the LMC has sought to co-opt leading local think tanks, it has sought to co-opt leading individuals.

However, there has been disquiet among the Southeast Asian member states as to the structure and development of the LMC and GCMS. Action items are generally driven by Beijing's priorities, rather than those of the partner states that have little influence over agendas that

² Discussions with LMC partner institution in Southeast Asia, Summer 2019.

³ Documents provided to the author by LMC partners in Southeast Asia, Winter 2019.

are perceived to be overwhelmingly “China-led.”⁴ However, GCMS guidance is regularly highlighted as a core element of LMC ministerial meetings in an attempt to create a perception of genuine, bottom-up cooperation between China and local civil society thereby legitimating programs and policies that serve China’s interests rather than those of its partner states.

In late February of this year, at the most recent meeting of LMC foreign ministers, discussions were held as to how to link the LMC Plan of Action on Connectivity with the Master Plan on ASEAN Connectivity (MPAC) – the region-wide framework seeking to promote collaboration in hard and soft infrastructure development. In media throughout the region, two points were consistently underlined: (i) the role of local think tanks and GCMS in providing direction towards the ultimate decisions taken and (ii) the LMC’s consistency with the goals set out for the region by ASEAN.

More vividly, the LMC’s recent response to the coronavirus outbreak illustrates the practical operation of its think tank network and its growing utility to Beijing. Cooperation related to public health issues falls within the remit of the LMC as set out in the Sanya and Phnom Penh declarations – however, concrete achievements have so far been minimal. In the two weeks prior to the LMC ministerial meeting, partner institutions were consulted and many brought in new collaborating institutions with expertise in public health.⁵ Following a conference call bringing together various entities from across the region, a proposal was prepared by one of the China-based institutions and subsequently circulated to the various national centers for approval. Included in that document were myriad, highly ambitious initiatives: the construction of new infectious disease hospitals that adhere to Chinese standards, the establishment of a LMC Emergency Management Cooperation Mechanism, the creation of a LMC Logistics Management Cooperation Mechanism, and so on.

This incident is extremely telling as regards the operation of the LMC. First, the role of ASEAN in the coronavirus outbreak – either as a coordinator or partner – was never mentioned, despite ASEAN’s already leading role in the crisis. LMC would operate alone – entering a policy space previously the sole domain of ASEAN. Second, programming and funding to be carried out in various member states were proposed without any actual input from some of the national centers – further depicting the Beijing-led nature of LMC and its think tank network. Third, several of the suggestions in the document, specifically the establishment of a LMC Emergency Management Cooperation mechanism, were then proposed by Chinese foreign minister Wang Yi at the LMC ministerial meeting in Vientiane with the role of local partners again vigorously highlighted to depict cooperation and locally-led decision-making despite the Beijing-led nature of the entire process and the proposals.

⁴ Discussions with LMC partner state officials, Summer 2019.

⁵ Data related to the coronavirus response comes from documents provided to the author from various sources in Southeast Asia in February 2020.

Utilizing the coronavirus as an opportunity for strengthening the LMC – and sidelining other regional entities – Beijing was able to both broaden and deepen the role of LMC in the region while framing that process as locally-driven and an illustration of “win-win” cooperation between China and the various Mekong states.

China has also begun to utilize its LMC think tank partners as a source of much-needed information in order to determine where its aid programming has been problematic as well as to map the landscape of media, academia, civil society, and prominent local actors in Southeast Asia. As part of the 2019 GCMS programming, national centers were requested to: analyze Chinese technical assistance programming; compare these initiatives to aid provided by other countries; summarize media response of any major issues or problems; name local journalists and civil society actors who spoke out or criticized Chinese programming; and clarify how Beijing could improve the implementation of technical assistance projects on the ground⁶.

At the same time, however, it is important to note that despite the request to provide this information – which requires significant data as to the technical assistance provided from the Chinese side – local participants from across the region have noted that Chinese embassies were in no way forthcoming or willing to cooperate, depicting a serious lack of continuity and coordination across the various institutions responsible for China’s public diplomacy efforts.

Institutional Redeployment and Institutional Capture

China’s efforts at building the LMC appear to have been most successful in working to undermine the role of Mekong River Commission (MRC), the entity with purview over the fraught topic of dam construction along the river. While rejecting the MRC, Beijing has been able to utilize the LMC in order to attempt to legitimize its upstream dam construction activities and to bring in Chinese state-associated firms to build dams in the downstream states. By presenting dam construction as a topic over which the LMC itself has purview, the MRC is gradually being diminished and displaced as the focal point for negotiation over the future of the Mekong river. A vital institution to preserve the sustainability of a river that plays a central role in the development and food security of the region is increasingly ignored and caught in a downward spiral of institutional drift as a well-funded LMC, just entering its consolidation phase, barrels forward.

A quieter success for China stems not from the creation of alternative institutions, but from a form of “capture” of existing institutions that are generally viewed as pillars of the status quo equilibrium. While international civil servants employed by the IMF and World Bank are expected to maintain professional objectivity and political neutrality, increasingly Chinese staff at these institutions – particularly in local representative offices – parrot talking points from the Chinese Ministry of Foreign Affairs in public forums rather than provide objective analysis. Thus, China’s narrative of particular events receives the Good Housekeeping Seal of Approval of

⁶ Interviews with LMC partner institutions in Southeast Asia, Summer 2019.

leading multilateral financial institutions despite clear bias and a Beijing-driven agenda. It should be highlighted here: alternative institutions are not necessary if existing institutions can be redeployed to legitimate China's own national interests and policies.

In addition to exploring the creation of alternative institutions, a more systemic analysis of China's diversion of existing institutions to support its own interests is necessary. In the context of Cambodia – increasingly viewed as the main site of contestation between China and the U.S. in Southeast Asia – it is remarkable to find that the country representative of IMF is an official from the People's Republic of China. In a 2019 UNDP forum in Phnom Penh examining the question of BRI, debt trap diplomacy, and the efficacy of Chinese aid in the region – that official regularly and fully promoted Beijing's perspective on the questions at hand.⁷

The Discourse of Legitimation: Media, Elites, and Inevitability

While China now regularly highlights “win-win” cooperation, local cooperation, and partnership with local institutions – its effectiveness in the influencing of local media remains widely varied. Cambodia provides a useful case in point, particularly as the kingdom is widely regarded as China's closest ally in the region. Cambodia's independent, Chinese-language media – several newspapers based in Phnom Penh, each of which maintain a significant online presence – regularly and actively report on all aspects of Chinese aid, investment, education, cultural exchange, and the work of China-supported international institutions. Coverage is overwhelmingly positive and supports a narrative of “inevitability,” i.e., that China's influence and hegemony over the region are a *fait accompli* regardless of any short-term problems. However, this does not appear to have had significant impact on the views of China held by the country's Sino-Khmer population, which recognizes the economic benefits of partnership with China, remain distinctly wary of dependence on Beijing. Impacts on the broader Cambodian population also appear to minimal – recent survey work carried out in Cambodia with local colleagues indicates a generally negative view of China.

This theme of inevitability is also consistently found in articles and editorials placed by Chinese-run institutions and the Chinese embassy in the local Cambodian and English language press. Following a review of hundreds of articles either placed by Chinese entities in the Cambodian press or that include comments from Chinese officials or representatives of China-backed local institutions, the framing that Beijing employs augments the discourse of “inevitability” with a consistent framing of the United States as either: (i) a disruptive state seeking to overturn Southeast Asia's years of growth, for which China frames itself as the source and/or (ii) a state that while currently experiencing tension with China as illustrated by the trade war, will return to close cooperation with Beijing once a new administration enters office.⁸ Interviews with officials and scholars from across the region who regularly engage with their Chinese

⁷ The author was in attendance at this event in April 2019.

⁸ Analysis conducted by the author and research assistants, Summer 2019 (full study currently under review for publication)

counterparts indicate that this inevitability narrative and framing of the United States is quite consistently deployed across mainland Southeast Asia.

While these efforts have had a somewhat limited impact on the ground, the fact that Beijing is developing a serious media strategy in countries such as Cambodia needs to be recognized. Where previous Chinese interaction with local media was limited to Chinese-speaking audiences – as has been consistent with United Front work in other countries - a more comprehensive approach seems to have been adopted over the last two years as is depicted by significant increase in engagement with local journalists and active promotion of the activities of new institutions, such as the LMC.

While China has had only limited success so far in gaining general popular support for the legitimization of its interests in Southeast Asia, it has more effectively targeted local elites – almost to the point of saturation. As is well known, Confucius Institutes continue to play a significant role here – in the case of Cambodia with one even having been established specifically for the country’s officer corps at the Ministry of Defense. At the same time, local academic institutions, think tanks, and development organizations continue to be nearly overwhelmed by visiting Chinese delegations, offers to study in China, etc. One highly placed official working at a state-led think tank in the region noted: “I cannot recall a single week over the last year when we did not have at least one delegation visiting from China.”⁹ Party-to-party contacts through the CCP Central Committee’s International Department have also further deepened ties between China and ruling elites in Laos and Cambodia in particular.

The “inevitability” narrative that supports the legitimization of China’s interests is also undergirded through the growing role played by China’s provinces. Historically, Southeast Asia has been a particular interest of neighboring Yunnan province – regularly referred to by Chinese officials as the country’s “bridgehead” to the region. However in recent years economic cooperation, aid, and official engagement is also driven by many other provincial governments as well as provincial and even city-level chambers of commerce – many of which have representative offices in Southeast Asian capitals. The ubiquity of China’s presence – whether through the donation of road building funds to Cambodia’s city of Siem Reap by the Chinese province of Zhejiang or the donation of hundreds of computers to rural schools by a Chinese-business association – further deepens the perception of China’s inevitable rise and the legitimacy of its interests.

Implications and Recommendations

Concerning recommendations for the commission, in light of the realities on the ground in Southeast Asia in particular, I recommend consideration of the following:

- Continued reinvigoration of the Lower Mekong Initiative and the development of significantly deeper engagement with local think tanks and civil society actors;

⁹ Interviews with Southeast Asian government officials, Summer 2019.

- Greater support for and engagement with other existing, multilateral institutions, e.g., ASEAN, at all levels, in order to prevent encroachment by China's own set of alternative institutions and to guarantee the maintenance of the positive feedback mechanisms that ensure the stability of these institutions themselves;
- The drawing of bright line distinctions between the United States and China as regards support for existing institutions, as was well-illustrated in 2019 when Secretary Pompeo stated American support for the principle of ASEAN centrality;
- Utilization of U.S. influence in multilateral institutions such as IMF and the World Bank to ensure that these entities (and their local representative offices in particular) are not "captured" through the appointment of Chinese officials;
- A more rapid roll out of the economic pillar of the Indo-Pacific Vision in order to respond to the China inevitability narrative as well as Beijing's own framing of the United States and to limit the efficacy thereof.