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IN CHINA'S BACKYARD

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IN CHINA'S BACKYARD

Policies and Politics of
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Edited by Jason Morris-Jung

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FOREWORD

Over the last three decades, one of the most significant changes in the context of development in the Global South is the transformation of China from a capital deficient developing country to a rising capital exporter in the world economy. For a long time, the main form of China's capital export is its massive purchase of US Treasury bonds. But since the Hu Jintao era (2002–12), the Chinese state has diverted ever larger part of its foreign reserves to outgoing direct investment in infrastructures, mines, and other assets in the developing world. China's official financial institutions also started offering concession loans to other developing countries.

Africa has been the most prominent recipient of Chinese investment, partly because of the PRC's longstanding presence in the continent since the height of Cold War and partly because of Africa's abundance in fossil fuel and mineral resources that China needs desperately for its roaring developmental machine. "China in Africa" has been an established field in development studies. Numerous papers and books debated whether China's increasing presence in Africa would elevate the region's growth prospect or whether it represents little more than a new form of extractive colonialism.

China's ambitions in becoming a major capital exporter to the developing world is surely not restricted to Africa. Chinese investments in Latin America, the Middle East, and Southeast Asia has been increasing rapidly. Among all these regions, Southeast Asia, which is right at the doorstep of China, is the most interesting one, and it is poised to becoming the most important arena for China's overseas projection of political-economic influences.

China's presence in Southeast Asia dates back to premodern times, when many states in the region paid tribute to the dynastic state of

imperial China and conducted trade with China via Chinese diasporic traders in the region. Time and again, some states in the region attempted to challenge Chinese dominance and sever its tributary ties to China. But at least in the perception of many officials and intellectuals in China, these challenges did not alter the reality that China had been hegemonic over Southeast Asia all along until Western imperialism shattered this Sinocentric order in the mid-nineteenth century. China's link to the region receded in the mid-twentieth century because of Cold War division, only to be restored after China's reintegration into the capitalist world in the 1980s. In the early twenty-first century, restoring China's historical influence in Southeast Asia became a crucial part of Beijing's project for the "Great Revival of China". China's recent One Belt One Road Initiative exactly manifests this ambition.

But Southeast Asia today is not Southeast Asia in the premodern times. Southeast Asian states are all fully sovereign entities now. The region has been receiving substantial investment from the United States, Japan, and many other developed countries besides China. No matter whether restoring Chinese hegemony in the region is the real purpose of China's rising investment in the region, such capital export will certainly create new tensions, anxiety, and conflicts on top of the new opportunities it offers. Given Southeast Asia's large population, economic size and economic dynamism, China's capitalist inroad into the region and the resulting contradictions will generate large impact that ripples through the global economy. Such important topic, unfortunately, has been so far understudied. Academic writings on this issues have been scant.

In China's Backyard: Policies and Politics of Chinese Resource Investments in Southeast Asia, edited by Jason Morris-Jung is one of the very few pathbreaking efforts in analyzing the impact of China's capital export on Southeast Asia. With experts specializing in different countries and sectors in the region, this book shows readers both the forests and the trees of the issue, illustrating in an accessible way the variegated and complicated dynamics and impacts of Chinese investment in Southeast Asia's resources sector. It is a book that will open up new debates and new directions of research. It is a volume that all students of development, global political economy, and Southeast Asia should not miss.

Ho-fung Hung
Johns Hopkins University
September 2017

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Like many a book before it, this book took root in a seminar organized at the ISEAS – Yusof Ishak Institute, Singapore in May 2014. In the context of China’s growing political and, especially, economic influence across Southeast Asia, our interest as contributing authors was to examine the importance of “resource deals” to the evolving situation, as had been written about extensively in the African and Latin American cases but very little in the Southeast Asian one. We wondered what advantages (or disadvantages) Southeast Asia might offer to China’s “resource quest” with its geographic proximity, shared histories, and socio-cultural similarities, as well as what the typically contentious politics of resource development might illuminate about the bigger picture of China’s return to Southeast Asia. This seminar enabled us to bring together a diverse group of authors to share experiences on how our own research and field sites in Southeast Asia had been unignorablely affected by the “China factor”. By bringing together authors from different disciplines and types of institutions, and cultivating dialogue between scholars from both inside and outside the region, we hope to have fashioned not any single one but many answers to these and other questions.

For making that seminar and this book possible, we owe our first debt of gratitude to the Konrad Adenauer Stiftung (KAS) Foundation and ISEAS – Yusof Ishak Institute. Without their generous support, our project would surely have been defeated by far-flung geographies, institutional silos, and our own disparate feelings about the meaning of China’s rise for Southeast Asia. We also wish to thank the administrative staff at ISEAS, whose preparation and organization of the seminar was seamless.

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*Jason Morris-Jung
Singapore 2017*

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