



China's Changing Role in Asia

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This chapter provides a Chinese perspective on the role of the People's Republic of China in Asia and its strategy toward its Asian neighbors. It does this by examining China's response to the widely shared perception in recent years of its "rise" and by discussing the principal concerns that shape China's strategy toward Asia. Finally, China's strategy toward the region is considered in terms of its relations with the United States.

THE RISE OF CHINA

Even though many are preoccupied with the aftermath of the September 11, 2001, terrorist attacks in the United States and the war in Iraq, China's ascendance continues to attract international attention. While some pessimists point to the "coming collapse of China,"¹ most observers appear deeply impressed with China's economic achievements and social progress.² The leadership transition of 2002–2003 proceeded smoothly, with both President Hu Jintao, the new general secretary of the Communist Party, and Premier Wen Jiabao projecting moderate, confident, and competent leadership. Few analysts predict political upheaval in China in the foreseeable future. For at least the next couple of years, it appears there will be more continuity than change in Chinese foreign and domestic policies.

The international discourse on the regional and global impact of the "rise of China" has, of course, caught the Chinese leadership's attention. Chinese leaders and ordinary citizens alike are obviously happy to hear praise of China's successes, and such commentary arouses national pride. Official speeches, reports, and domestic media are also inundated with

success stories suggesting the competence of the Communist Party and the correctness of its policies. These sources call too for Chinese people to unite and work together to realize the “great revival” of their nation by the middle of this century. They urge everyone to help build an “all-round, well-off society,” a goal that the Sixteenth Party Congress of the Chinese Communist Party set for itself in November 2002.

In contrast to commentary in the international arena, China’s leadership is, however, rather restrained in promulgating the notion of the “rise” or “revival” of China. Despite the progress made so far, Chinese are aware that the gap—in terms of national wealth, standard of living, education, and science and technology—between China and developed nations, the United States in particular, is enormous. They know that it will take China decades to catch up, at least, with the Western world. In the interim, there are also formidable impediments that might derail modernization programs.³ An example of such an obstacle is the impact of the Severe Acute Respiratory Syndrome (SARS) epidemic, which sharply reduced tourism and international commercial activities in China in spring 2003 and damaged China’s image abroad.

Beijing has responded in a muted way to the international attention on “China’s rise.” The Chinese leadership is conscious of ambivalent feelings in neighboring countries, as well as in the United States and Europe, about the growth in Chinese power. Chinese leaders are following comments on the “China threat,” “China’s coming collapse,” and such opinions in the international media, but they have not overreacted to them. Vice Premier Qian Qichen, China’s foreign policy architect, has suggested that Gordon Chang gave his book *The Coming Collapse of China* its “sensational” title because he wanted to promote sales (*Study Times*⁴ 14 October 2002). Qian added that the “China threat” and “China collapse” theories appear to contradict each other, but “they are in fact two sides of the same coin. They both reflect the views of anti-China elements in the world . . . They are not worth refuting anyway.” Qian also commented that if China’s comprehensive power were at the same level today that it was decades ago, there would be no loud voices about the “China threat.” He also felt that there would not be a market for this theory in a few decades, when China had developed further. Chinese leaders also appear to have concluded that exaggerations of China’s economic achievements, either by foreigners or by Chinese, might have undesirable practical results. These might include reductions in foreign aid, pressure for China to reevaluate its currency, and calls for China to use more of its foreign trade surplus.

The general consensus among Chinese political analysts is that the media, including China's own official media, do not overrate China's comprehensive national strength, and that the projection of Chinese power abroad will remain very limited in coming years. Yet there are diverse views among Chinese political analysts regarding how China should respond to perceptions of its growing power and influence in the world. Some feel that U.S. domination of world affairs will constrain the rise of China in that the United States will not allow a strategic challenger and competitor as large as China to rise in Asia. The rhetoric of the "offensive realists"⁵ and neo-conservatives in the Bush administration and American think tanks has given ammunition to this pessimism. Some Chinese thinkers are concerned, for instance, that China's increasing dependence on oil and natural gas supplies from the Middle East and Central Asia make it vulnerable to newly gained U.S. influence there. It is thought that the United States might try to impede these supplies if it felt it were necessary to contain China.

However, mainstream thinking seems more sanguine. An earlier comprehensive report on the international environment for the rise of China (Yan et al. 1998) suggested that both international political and economic circumstances were generally conducive for China. A more recent assessment (Huang 2002) stresses domestic reform and balanced development as top priorities for China to enhance its international stature. Promoting economic integration and common security in Asia, establishing constructive cooperation and partnerships with other great powers, and strengthening crisis management capabilities were also raised as prerequisites for China becoming more powerful in world affairs. Many Chinese observers emphasize China's "soft power"—its strategic vision and cultural cohesion, for example—for expanding Chinese influence in international affairs. They also contend that the growth of Chinese power today is contingent on economic globalization, making its situation vastly different to the emergence of the Soviet Union whose development occurred separately from the industrialized world. Unlike Japan and Germany before and between the two World Wars, they also suggest that China today is far from being militarized. Although these arguments may not sound convincing to some international observers, they nonetheless reflect serious Chinese thinking about their nation's path of development and its projection of a peaceful international image.

The Sixteenth Party Congress of the Chinese Communist Party endorsed moderate views of China's international surroundings. It suggested a

“20-year period of strategic opportunities” (Jiang 2002, 19) that China should grasp. The international environment provided the foundation for a moderate and pragmatic Chinese international strategy while allowing China to concentrate on domestic priorities. This pronounced optimism was based on the confident forecast that strategic confrontation between China and the United States or other major powers could be avoided.

Lacking, though, in Chinese deliberations on the “rise of China” is clear realization of the need to promote an institutionalized regional or global order in which China would play a major role—in cooperation with other great powers—and in which China would assume more international obligations. A 2001 report to the Trilateral Commission (Morrison 2001, 9) notes, “China’s rapid rise is occurring in a region that lacks firmly established, integrating institutions like the European Union that help build trust. Asia has no security community in the transatlantic sense of peace in which resort to violence has become virtually unimaginable.”

Subtle changes in China’s approach, for example, to the North Atlantic Treaty Organization (NATO) can be detected. The Chinese press is now less critical of this Western alliance, and the Chinese Foreign Ministry is even exploring possibly establishing some relationship with it. The Chinese have also shown some interest in participating in meetings of the Group of Eight industrialized countries. However, these sporadic indications do not appear to be a systematic approach to dealing with the existing “U.S.-led” world order. The pronounced principles and goals of Chinese foreign policy remain abstractions, such as “establishing a new international political and economic order,” “promoting world peace and common development,” “accelerating multipolarization,” and “opposing hegemonism and power politics.”

DEFINING CHINA’S STRATEGY TOWARD ASIA

As shown in its official attitude toward the Iraq war in March–April 2003, China is likely to take a largely detached position to international events that do not directly affect core Chinese interests. Some Chinese have expressed private reservations about Beijing’s reaction to the Kosovo conflict in 1999. During the crisis and the war in Yugoslavia, the Chinese sided staunchly with Slobodan Milosevic, the Yugoslav president, against the NATO alliance. Tensions there did not involve core Chinese interests.

Nevertheless, Milosevic's defeat and the NATO bombing of the Chinese embassy in Belgrade harmed China's relations with the West, delayed China's entry into the World Trade Organization (WTO), and stimulated nationalistic sentiments that were not helpful to the Chinese leadership. Since then, Beijing has been more prudent about involving itself in European and Middle Eastern affairs.

Meanwhile, Chinese strategists have proposed active Chinese engagement in affairs on China's periphery. A difficulty in delineating China's Asia strategy lies in a perception gap between Chinese and many international observers. For the majority of international observers, Asia means East Asia, and Asia Pacific refers to East Asia plus probably Australia, Canada, New Zealand, and the United States. In contrast, references in Chinese publications to China's *zhoubian guojia* (surrounding countries) are taken to comprise East Asian states and neighboring countries like the Central Asian states, India, Mongolia, Pakistan, and Russia. This definitional difference has important policy implications. It reflects the fact that Chinese look beyond East Asia in formulating a regional strategy. China's regional strategy in Asia has to focus on a complex matrix of geopolitical and geo-economic factors, such as Russia, terrorism and the conflicts in Southwest and South Asia, and oil and natural gas supplies from Central Asia. This perception gap between China and other East Asian countries reflects the historical reality that China is a continental power, whereas most other East Asian countries are maritime or semi-maritime powers.

A cluster of overlapping issue areas circumscribes China's regional strategy. These issues include the momentum of East Asian economic cooperation; the regional security environment, especially on the Korean peninsula; arms control regimes and regional reaction to China's growing military capabilities, against the backdrop of existing regional security arrangements; the Taiwan issue; China's special relationship with Japan; and Chinese-U.S. relations, the most relevant independent variable. Given the importance of Chinese relations with the United States, they will be discussed separately.

REGIONAL ECONOMIC COOPERATION

In the early 1990s, China was not very enthusiastic about formal, structured regional trade arrangements, partly because it was not yet ready for

rapid trade and investment liberalization at home, and partly because it was skeptical about Japan playing a leading role in the regional economy. Strong objections from the United States to the forming of an East Asian economic grouping—such as the East Asia Economic Caucus proposed by Malaysia—also revealed political complications to new regional economic initiatives. China's participation in the Asia-Pacific Economic Cooperation (APEC) initiative was largely circumstantial, and it went along with an insistence that APEC remain a “forum.”

China has now reached the stage of economic development where it can open up further to international competition, and integrate itself regionally and globally for long-term gain. China's WTO accession and its increased economic ties with its neighbors will greatly impact the region, as well as China itself. WTO membership is compelling faster liberalization of the Chinese economy, and it is providing Chinese policymakers with a clear mandate to implement reforms in the face of inevitable resistance from entrenched domestic interests. In terms of the ratio of trade to gross domestic product, a simple indicator of openness, China already has an open economy. The ratio is currently near 40 percent, compared to roughly 20 percent for India, Japan, and the United States. Likewise, in recent years, foreign direct investment in China's economy has equaled about 18 percent of total investment, which compares with a level of 6 percent in the United States (Shin 2002). China is perceived as having taken foreign investment away from other countries, but it is also rapidly becoming the region's main engine for economic growth. It could even become a net exporter of capital to East and Southeast Asian countries.

As the largest exporter among developing economies, China is being called on to represent the interests of Asian and other developing economies. China could possibly also lead efforts to better balance the interests of developing and developed countries in multilateral trading arrangements. A study by Asian economists showed that a free trade area between China and the Association of Southeast Asian Nations (ASEAN) would bring mutual wealth, partially by diverting ASEAN's trade away from Western economies to China (*People's Daily* 13 February 2003). Some have already predicted that a free trade arrangement (FTA) between China and ASEAN would rival the European Union and the North American Free Trade Agreement (*Express China News* November/December 2001).

However, China must guard against trade challenges from Asia resulting in developed countries abandoning the WTO framework in favor of more limited multilateral arrangements. This would surely be detrimental

to the economic prospects of developed and developing countries alike. It is also unfortunate that U.S. reaction to various ideas and institutions for East Asian regional economic cooperation has overshadowed their merits.

China should also guard against viewing its nascent FTA with ASEAN as a counterbalance to Japan's efforts to establish its own FTA with ASEAN. A Chinese economist (Li 2003, 208) notes that "while Japan was trying, on the one hand, to sign an [FTA] with ASEAN to exclude China from the East Asian free trade zone, it was also trying to sign the first bilateral [FTAs] with South Korea and Singapore." The FTA which China and ASEAN began considering in November 2001 is a "type of South-South regional economic cooperation arrangement that has a ten-year transitional period [which prohibits attaching] too much short-term significance to it" (Li 2003). Too many political considerations could encumber the long process of meaningful successes in East Asian economic cooperation.

Since sustaining economic growth remains China's top priority, promoting East Asian economic cooperation will be an integral part of China's regional strategy. Yet it is still unclear whether China harbors a strategic vision of an East Asian economic bloc comparable to that of the European Union, or whether it believes that Chinese FTAs with ASEAN, Japan, and South Korea could provide more desirable opportunities for China's economic integration.

THE REGIONAL SECURITY ENVIRONMENT

Undoubtedly the most difficult security problem China faces today is the North Korean nuclear issue, and China cannot afford to lose the influence it does have over events on the Korean peninsula. Vital interests are at stake. Two painful historical memories for Chinese are that the Sino-Japanese war over Korea in 1894 resulted in the cession of Taiwan, and that the outbreak of the Korean War in 1950 deprived China of the capability and opportunity to take over Taiwan, with China remaining divided ever since.

Current tensions over the North Korean nuclear issue have aroused a great deal of attention in Beijing. Unlike earlier occasions when problems around North Korea were treated with great discretion and sensitivity in the Chinese media, since December 2002, the Chinese public has been provided with more detailed information and commentary. For example,

an official news report on January 10, 2003, revealed that former President Jiang Zemin told U.S. President George W. Bush that China did not endorse North Korea's decision to withdraw from the Nuclear Nonproliferation Treaty. The message here was that Beijing and Washington share more common ground than Beijing and Pyongyang do. In April 2003, Beijing hosted a three-party meeting between China, North Korea, and the United States, suggesting once again its distance from Pyongyang on the nuclear issue. In August 2003, China hosted six-party talks in Beijing, involving itself, Japan, the two Koreas, Russia, and the United States.

There are at least two priorities in Beijing's strategic objectives toward the Korean peninsula. First, it is definitely in China's best long-term interest to maintain a nuclear-free Korea. No country is as concerned as China about nuclear threats as it already shares borders with three nuclear powers—India, Pakistan, and Russia (the United States previously threatened China with its nuclear arsenal). In addition to creating a huge problem for Chinese national security, an additional nuclear power in the region could also provide the rationale for other players, notably Japan and even Taiwan, to develop nuclear arms. Suggestions along these lines, and how such a development would affront Chinese sensitivities, have reportedly already been made in Japan. U.S. apprehensions about possible North Korean nuclear proliferation to countries or terrorist groups outside the region also make sense to China.

Preventing North Korea from going nuclear is a sufficient priority for Beijing to cooperate with Washington and the international community in seeking a viable solution to the problem. Beijing does not regard the problem as a bilateral issue between the United States and North Korea, with China being a bystander. China and the United States share strong concerns to keep other Northeast Asian players from acquiring nuclear arms capabilities. Beijing's hesitation to act more vigorously on the North Korean issue is related to what it sees as uncertainties in U.S. strategic plans.

China's influence on North Korea is undeniable but limited. The most frequently suggested way of using Chinese influence is for Beijing to join others in imposing economic sanctions. Aside from questions about the feasibility, legitimacy, and desirability of such a coordinated effort, the effectiveness of possible economic sanctions against the North is doubtful at this stage. Past instances of the use of sanctions, notably vis-à-vis Cuba, Iraq, and China itself in the 1950s, pose questions about whether economic punishment of a people can change the behavior of its political

leadership. Yet China's economic instruments could be used, in certain circumstances.

Another way of exerting China's influence is through a multilateral framework for an international solution, even though Pyongyang has insisted in the past that the issue is a bilateral one between it and Washington. A United Nations Security Council resolution, coordinated with the International Atomic Energy Agency, could, however, be effective if the international community mobilized the instruments to implement it.

The second priority in China's strategic calculation for the Korean peninsula is the preservation of peace and stability. Chinese and U.S. perceptions of North Korea's domestic stability do diverge. Chinese analysts believe their predictions of North Korea's survivability in the 1990s were validated, in contrast to many U.S. forecasts of an imminent North Korean collapse. Today the Chinese continue to believe in North Korea's likely survivability. The Chinese certainly have a larger stake in maintaining stability in the North than any other country, except (arguably) for South Korea. This is so because of geographic, demographic, and economic realities in China's northeast, not because of any ideological or political affinity.

To Beijing, either a nuclear Korea or a military conflict there would be disastrous.⁶ China's maneuverability over North Korea is definitely circumscribed, particularly with both the United States and North Korea sticking firmly to their respective positions. While the Bush administration is preoccupied with the Middle East and terrorism, it is unlikely that the United States will react decisively to North Korea's prodding, and the North Koreans could proceed with military maneuvers and move further toward reactivating its nuclear program. Things may become worse before they get better; it is urgent to find a way now to stop the dangerous escalation of tensions.

There should be a third priority in dealing with the situation: assisting North Korea's economic recovery. Pyongyang's poor economic performance and the widening gap between the living standards in North Korea and those of its neighbors exacerbate its siege mentality. The Chinese government already supplies a sizeable amount of energy, food aid, and other emergency assistance to the North, and it also has to deal, in a humanitarian way, with the matter of North Korean refugees residing in China.

Another potential flash point in China's regional security environment is the India-Pakistan confrontation. While maintaining its traditionally cordial relationship with Pakistan, Beijing has been sensitive to anxieties

in New Delhi and Washington about alleged Chinese sales of nuclear and missile technologies to Pakistan. The Chinese government is committed to tightened control of such sales in accordance with the Missile Technology Control Regime, and bilateral agreements between Beijing and Washington. The two governments have committed themselves to preventing the export of equipment, materials, or technologies that might help India or Pakistan in their plans to develop nuclear weapons or ballistic missiles for carrying such weapons (Gu 2002, 82).

Meanwhile, Chinese-Indian relations are greatly improving, having overcome difficulties resulting from India's nuclear tests in 1998. Border disputes between the two countries remain unsettled though, with the psychological wounds from the 1962 border war needing still more time to heal. The United States has reportedly reached out to India for security consultations and cooperation, partly aimed at the perceived "China threat." Russian politicians and strategists have also proposed some kind of Chinese-Indian-Russian trilateral strategic cooperation to offset U.S. influence in the region.

Other problems for China in its regional security outlook are international terrorism, domestic turbulence in Indonesia and elsewhere, refugees and illegal immigration from China's neighboring countries, and crime and drug trafficking across China's borders. Judging from its behavior since Chinese policy thinking has moderated, China would involve itself very reluctantly in regional crises and other countries' domestic disturbances, even though it might have to cope with resulting human security problems. For instance, although Chinese were incensed by the victimization of ethnic Chinese during turmoil in Indonesia, Beijing's official position remained that the vast majority of the ethnic Chinese were Indonesian rather than Chinese citizens, so Indonesians had to solve this internal problem. To this extent, China will continue to be a conservative or status quo power in the region. At the same time, Beijing has indicated its concerns about terrorist and pirate activities in Southeast Asia that have caused casualties or suffering to Chinese citizens.

Since the 1990s, Beijing has downplayed the significance of territorial disputes with Southeast Asian countries in the South China Sea. In retrospect, the disputes did not enhance China's influence in the region, but gave rise to regional suspicions about China's long-term strategic intentions. From China's perspective, the United States could also try to drive a wedge between China and ASEAN countries by taking advantage of the territorial problems between them. In recent years, more urgent external

and internal issues—including the Asian financial crisis, separatist tendencies in Taiwan, and the North Korean quagmire—have eclipsed the strategic and economic importance of the tiny Spratly and Paracel islets.

ARMS CONTROL REGIMES AND REGIONAL REACTION TO CHINA'S MILITARY MODERNIZATION

A number of regional arms control issues, such as the planned U.S. missile defense systems, Japan's willingness to participate in them, the nuclearization of South Asia, and the consequences of a North Korea possibly armed with nuclear weapons, are contributing to a defensiveness in China's strategic thinking. The natural response to these developments would be to continue, if not speed up, the modernization of China's armed forces. Yet improved Chinese defense capabilities may, in turn, stimulate regional concerns. China has to convince its regional partners, particularly those with which China still has territorial disputes, that a stronger Chinese military power will not threaten them. Failure to do so may push such states further into the U.S. orbit. The best ways to reduce regional suspicions and misunderstandings about China are, first, to increase the transparency of China's strategic thinking, planning, and defense capabilities, and, second, to strengthen regional security dialogues.

China's strategic plans and arms control policies in Asia are directed mostly at the United States. Some Chinese specialists have proposed that the United States and China should engage in strategic dialogue to discuss whether and to what extent China would be allowed to obtain a reliable nuclear deterrent by adding more heads and missiles to its nuclear arsenal (Gu 2002, 82–83). The Chinese have also considered redeploying some of China's missiles aimed across the Taiwan Strait as a gesture to reducing tension with Taiwan and the United States. The hope here was for some reciprocal U.S. gesture that would reduce Chinese anxieties over U.S. military cooperation with Taiwan. However, neither proposal has received any substantive or positive response from the U.S. side. Failure to address these issues properly is detrimental to Asian regional security.

THE TAIWAN ISSUE

The Taiwan issue features in China's regional strategy in several ways. Many Chinese feel that China's revival would be meaningless and unreal if the mainland failed to reunify with Taiwan. So China's regional policies need to be geared toward fulfilling this national goal. Taiwan's leaders also spare no efforts in trying to have certain types of experiences by Taiwan's leadership, such as tours through Japan or Southeast Asia, viewed as failures of Chinese diplomacy. The Chinese also always find it awkward to deal with Taiwan's participation in regional organizations like APEC. While much of China's military modernization is designed to deter Taiwan from adventurous moves toward *de jure* independence, it has unfavorable regional repercussions, and a hardened Chinese posture toward Taiwan will disserve China's image as a benign power seeking harmonious relations with its neighbors.

Since 2001, there have been two subtle modifications in Beijing's conceptualization of the Taiwan issue. First, it is more apparent to Chinese that, despite conspicuous U.S. political support of Taiwan and its democratization, Washington's policy toward the island is not intended to encourage or endorse Taiwan's *de jure* independence. The Bush administration's consistent statements not supporting Taiwan independence have assured Beijing that Washington understands China's "red line." Namely, that a provocative Taiwanese action to change Taiwan's legal status would trigger a major confrontation between Beijing and Taipei, which could engage the United States in a deadly military conflict with the Chinese mainland. Washington, therefore, prefers the status quo of "no reunification, no separation" in cross-strait relations (Wang and Li 2002). This interpretation contrasts with earlier mainstream Chinese perceptions that the U.S. strategy toward Taiwan was to separate Taiwan from China permanently, in order to contain China.

The other modification in Beijing's posture is based on the assessment that time is on the mainland's side. The mainland's economy is growing much faster than Taiwan's, and the strategic balance of power is changing increasingly in the mainland's favor. Beijing is hoping that deepening socioeconomic interdependence between the two sides will pave the way for ultimate political integration. This new Chinese confidence bodes well for more accommodating and manageable relations between the mainland and Taiwan, and also for reduced international tensions in East Asia.

JAPAN—PARTNER OR COMPETITOR?

The relationship with Japan remains a centerpiece of China's regional strategy and deserves special attention. As new generations of Chinese elites with no personal experience of the Second World War emerge, the historical imprint in China's policy toward Japan will hopefully fade. This process is likely to take more than a few years, and, hopefully, reduced unfavorable Japanese feelings about China should facilitate this too. Chinese perceptions of Japan definitely add an element of uncertainty to China's long-term strategy toward Japan. At the same time, there are also enormous reservoirs of realistic and sensible thinking, as well as interests, in both societies that favor a more productive, friendly China-Japan relationship.

Recent developments in East Asia offer opportunities for Japan and China to become better partners, rather than long-term competitors. First is the ongoing momentum of regional economic cooperation, highlighted by regular meetings of ASEAN + 3, namely, ASEAN members and the countries of China, Japan, and South Korea.⁷ The recovery of Japan's economy will paradoxically help construct a more solid foundation for strategic as well as economic cooperation between the two Asian giants. Second is the North Korea nuclear issue. China and Japan have many common interests on the Korean peninsula. Both of them have huge stakes in preventing the nuclearization of North Korea, and in maintaining peace and stability there. Both would benefit from any North Korean economic opening up. Nonetheless, there are few indications that these opportunities have been adequately grasped. Both Beijing and Tokyo seem to be paying attention to other policy issues, and are not injecting enough energy into bilateral cooperation.

THE CHINA-U.S. RELATIONSHIP: A DOMINANT FACTOR

China's Asia strategy 20–25 years ago was preoccupied with Soviet encirclement of China, a perception that the Soviet-Vietnamese alliance reinforced. As recently as ten years ago, China's regional strategy was focused on an assertive United States that proposed establishing a "New Pacific Community." This notion, which alarmed Beijing, was vaguely put forward by then President Bill Clinton at the 1993 Seattle meeting of APEC. At the time, Beijing was under severe pressure to change its domestic

policies after Tiananmen, while it was also making painstaking efforts to keep its most-favored-nation status with the United States. China was also about to resume diplomatic relations with Indonesia, and establish them with South Korea. No comprehensive regional strategy was possible then without marked improvement in China's bilateral relations with the United States as well as its Asian neighbors.

China's regional concerns today still focus strongly on the United States, albeit to a lesser extent. Some Chinese strategists are apprehensive, for example, that the expanded U.S. military presence in Afghanistan, Pakistan, and Central Asia since the attacks of September 11, 2001, along with enhanced U.S.-Indian strategic understanding, will once again result in China's strategic encirclement. Most Chinese policy advisors, however, remain unperturbed by these new security circumstances. Instead, they point to greatly improved bilateral ties with China's neighbors, contending that few, if any, Asian powers would join a U.S.-led coalition to contain China. Increased Chinese vigilance against separatists, terrorists, and religious extremists in China's northwest national minority areas since September 2001 seems to have reduced Chinese interest in viewing the Shanghai Cooperation Organization (SCO) as a counterweight to U.S. influence in the region. The SCO is a regional grouping formed by China to improve cooperation on nontraditional security issues between itself, Russia, and the Central Asian republics of Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan.

Having experienced many ups and downs in relations since the end of the cold war, Beijing's policy toward the United States is now increasingly temperate and mature. With China needing a peaceful environment to sustain economic growth and social progress, Beijing has been developing a long-term strategy based on some fundamental assumptions. These assumptions are independent variables, subject to reassessment and readjustment by Chinese leaders.

The first assumption is that the global strategic structure is seriously unbalanced in favor of the United States. In the first post-cold war years, the rise of the United States to global primacy was debatable. There is little doubt today though that a unipolar world is the reality with which China must cope. China's projection of the "inevitability of multipolarity" does not prevent it from noting, at least privately, that the United States will remain the global hegemonic power for decades to come.⁸ Being realists, Chinese policy analysts also have few illusions about the feasibility of a lasting international coalition to counter U.S. power. China

has neither the capability nor the desire to take the lead in formulating such a coalition, let alone an interest in confronting the U.S. hegemon by itself.

In the diplomatic showdown at the United Nations prior to the 2003 war in Iraq, China generally sided with France, Germany, and Russia in the efforts to stall a military solution, but it did not incur the wrath of the Bush administration in doing so. The result of the major military campaign of the war in Iraq once again illustrated the preponderance of U.S. military and political power, and Washington's willingness to use it unilaterally. Unofficial public polling in China prior to the outbreak of the war showed that over 80 percent of Chinese citizens opposed the use of force in Iraq. The bulk of them also supported the Chinese government's moderation in dealing with the crisis.

Even without active Chinese resistance, hegemonic U.S. behavior will not go unchecked in the international arena. Chinese firmly believe this, especially when they look at Asia Pacific where few countries, if any, would give unequivocal support to a possible U.S. policy intended to isolate or contain China. This strategic situation will give China enough breathing space for enhancing its stature and influence. ASEAN, Japan, Russia, South Korea, and other regional powers will increasingly strengthen their economic ties with China as China's economy, markets, and capital grow. More political understanding will then follow. The general trend in Asia, therefore, is conducive for China's aspirations to integrate itself more extensively into the region and the world. It will be difficult for the United States to reverse the direction of this trend.

The second Chinese assumption about the longer term is that different views and interests regarding China will continue to exist within the United States. Hardliners, centered on the so-called Blue Team, within and without the Bush administration are balanced by moderate realists, some of whom are respected China specialists with political experience. U.S. military views that see China as a threat are in conflict with, but balanced against, commercial interests. U.S. corporate giants like Boeing, Citibank, Motorola, and Wal-Mart have an increasingly large stake in the China market. Engagement between China and the United States is so extensive today that the Bush administration would not easily be able to conduct a China policy similar to U.S. policy toward the Soviet Union during the cold war.

The Chinese calculation is that, for a considerable time at least, U.S. national security strategy will mainly be directed at what Americans define

as international terrorism. Although it is politically sensitive to link terrorism to any religious belief or group, the “9/11 syndrome” will focus the U.S. strategy of suppressing terrorist elements and the proliferation of weapons of massive destruction (WMD) on the Middle East, Central Asia, and South Asia. China has no interest either in allying itself strategically with countries seen as hostile to the United States or in proliferating WMD, so it is unlikely that the United States will regard China as its principal strategic adversary in coming years.

In the final analysis, a policy of avoiding confrontation with the United States is consistent with China’s domestic political agenda. To be sure, many Americans look at China’s political system with distaste, and the United States provides sanctuary to representatives of virtually all groups regarded as being against the present Chinese government. Political conflict with the United States would worsen the situation. As China’s reform agenda emphasizes the rule of law, democratic practices, and a market economy, and the Chinese government has accepted the concept of human rights, many political issues between the two nations can be discussed through dialogue. Also, excessive nationalistic feelings among Chinese, most of which are directed against the United States and some against Japan, are not helpful in enhancing the authority of the Chinese leadership. A stable political situation in China is partly contingent on successful diplomacy that better manages China’s relationship with the world’s only superpower.

This strategy toward the United States, of course, is not without problems and difficulties. The contrast between media coverage of international affairs on the one hand, which may inflame undesirable, unnecessary nationalistic tendencies, and actual policy thinking and practice on the other hand, is a serious challenge. Interagency coordination within the Chinese government is also proving to be a daunting task, especially in crisis management. The nature of the Chinese political structure preconditions the difficulty of engaging the United States, whose political strength lies largely in its pluralist society rather than the concentration of power.

In general, reduced mutual suspicions and mistrust between China and the United States would help pave the way for more creative and proactive Chinese approaches to regional security and economic cooperation. China’s leading strategists also perceive the “rise” of China as needing to be accompanied by the rise of Asia as a whole. A structural change in the global balance of power along these lines would better position China vis-à-vis the United States.

CONCLUSION

Certain trends in China's relations with other Asian powers help define China's role in Asia. These include improved bilateral relationships with all China's neighboring states; more active participation in multilateral security and economic arrangements; cautious support for new forms of regional economic cooperation; and serious consideration of U.S. influence and interests in the region, and how these interests concur with China's own strategic concerns.

Overall, an excessively assertive Chinese posture toward the Asia Pacific region is unlikely. This is precluded because of Beijing's desire to concentrate on domestic development, Chinese consciousness of international sensitivities to the perceived and actual "rise of China," and successful pragmatism in China's international behavior in the post-cold war era.

Meanwhile, a few questions remain with regard to China's future role in Asia. First, although China has become a full-fledged regional player, its relationships with the other two major players—the United States and Japan—are still in flux, and the recent improvement in relations with each is not yet irreversible. Second, and related to China-U.S. and China-Japan relations, the Taiwan problem lingers, and how Beijing manages it will strongly impact countries' perceptions of China. Third, China's relative political underdevelopment contrasts with most of its Asian neighbors, who are generally content with the market-oriented reforms China is carrying out, but are cautious about China's longer-term future. Finally, the kind of value system China presently upholds at home and internationally, and will uphold in future as its power has grown further, is a perplexing question.

NOTES

1. See Chang (2002) for the best-known writing on this theme.
2. For a recent discussion of the emergence of China's power, see Overholt (2002).
3. For an official description of the gap between China and the developed world, and of difficulties in socioeconomic development, see Jiang (2002, 18–19).
4. *Study Times* is a weekly published by China's Central Party School.

5. For a representative view of “offensive realism,” see Mearsheimer (2001).
6. Chinese analysts differ over whether China should prioritize one over the other. Shi Yinhong (2003) argues that “China’s supreme strategic interest or primary strategic goal is to insulate North Korea from nuclearization.” In contrast, Jin Xide (2003) contends that China should not prioritize denuclearization over peace, and should never abandon North Korea as a friendly neighbor.
7. Chinese analysts share the view that China and Japan are competing about which country plays the leadership role in East Asia’s regional economy. See Jiang (2003, 52–53).
8. For a recent Chinese assessment of U.S. power and influence, see Men (2003).

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