Immediately after 911, and especially after the U.S. military action against Taliban in Afghanistan when U.S. forces entered Central Asia (and to a less extent, Southeast Asia), pundits projected two completely different outcomes for China. One school contended that China would be a net gainer because the war against terrorism would significantly divert U.S. attention and resource from containing China (a strategy implicitly outlined in the Pentagon’s Quadrennial Defense Review). Another school, however, projected just the opposite, predicting that China would be a net loser, because the U.S. would take full advantage of the strategic opportunity offered by the war against terrorism to achieve complete encirclement of China: from the Korean Peninsula to Central Asia through Russia, a full circle indeed.

In this article, I will try to offer a general account of what China has done and what it has not.

**Overall Picture: why hadn’t China done more?**

After one year, the most striking thing is perhaps that China had not done many things pundits predicted it would do. For instance, China certainly did not jump on the U.S. bandwagon as decisively as Russia did. Yet it did not object much to the warming up of ties between Russia and the U.S. nor the U.S. presence in Central Asia. Why?

While part of the reason is that China was not in a position to do much because of its weakness vis-à-vis the preponderance of U.S. power, another major reason for China’s inaction is China’s growing confidence that it can cope with the situation.

The opening-and-reform of the past two decades has not only brought greater prosperity to China, but also, in my opinion, fundamentally transformed China’s view of the outside world and itself. As China succeeded in weathering one storm after another, there is growing confidence among the Chinese leadership and elite that China can well cope with most of the challenges. After all, China was able to rescue itself in 1978 when it was on the verge of collapse after the Great Cultural Revolution. Why should China not be able to cope with the future now that China is in a much stronger position after 20 years of reform? It is no wonder that the Chinese are feeling pretty good (of course, the danger here is too much complacency).
Overall, today’s China no longer views itself as a country on the edge of collapsing, but a rising power with an increasingly significant capacity in shaping its environment. At the same time, while still considering the outside world as inherently anarchic with power remaining a yardstick in international politics, China today also believes the world is moving towards a more civilized era in which the probability of a global war is marginal.

China’s growing confidence in its capability to shape its environment in a world that is getting less dangerous has brought three new trends to its diplomacy.

First, China has become less likely to read too much into changes of the international situation, and thus less likely to overreact. This trend displays itself most prominently in its dealing with the change of government in the U.S. Certainly not a fan of many things that George Bush did, China did not pick a fight directly with the U.S. Instead, China manoeuvred skilfully to contain the damage and counter U.S. pressure. More tellingly, when Putin’s Russia is clearly shifting from a Eurasian to Atlantic identity, no alarm was sounded because China believes that Russia is unlikely to become China’s enemy again, barring an extreme nationalist taking control of Kremlin.

Second, China has become more comfortable thus more proactive in pushing initiatives in both bilateral and multilateral settings, all for the purpose of shaping an environment friendly (at least not hostile) to its interest. Indeed, China’s conviction that it and its neighbours can and have to live peacefully together has been a major factor behind China’s recent moves such as its willingness to sign a Code of Conduct over the South China Sea with ASEAN countries, to resolve border disputes with Vietnam, and to an exchange of maps over the Line of Control (LOC) with India. Meanwhile, China’s participation in the “10+3” (ASEAN plus South Korea, Japan, and China) framework, initiation of a free-trade area (FTA) with ASEAN countries, and promotion of the Shanghai Cooperation Organization (SCO) underscore China’s willingness and confidence in engaging actively in multilateral settings, belying the conventional wisdom that China is reluctant to embrace multilateralism.

Finally, while U.S. will remain one of the focal points in China’s security calculus, and China will always work to maintain at least a workable relationship with the lone superpower, China has moved its “great power diplomacy” (daguo waijiao) away from a “too U.S.-centric” to a more balanced approach by putting more emphasis on its interactions with other great powers and regional states. With the weight of the U.S. down-graded a bit in its calculation, China will not hesitate to stand up to the U.S. when necessary, especially when friends and international norms are on China’s side. Thus, while the U.S. will not see a coming conflict with China, neither will it see a China too accommodating to unreasonable U.S. demands.

Now, let me turn to some specific issues.

East Asia: “10+3” as the Southern Pillar

Chinese leaders now understand clearly that it is natural for East Asian states (especially Southeast Asian states) to feel a bit anxious about the rise of China because China’s size and population loom so large. Therefore China has to assure its neighbours that its rebirth will not mean a return to the “Zhonghua Order”.

China also recognizes that while bilateral ties with individual regional states remain
crucial to maintaining a benign security environment, closer bilateral ties with one may also arouse suspicions among other regional states. Therefore, it is more desirable to bring closer bilateral ties with regional states under the roof of multilateral engagement. This is especially true for Southeast Asia.

Based on such an understanding, China now attaches special importance to the “10+3” framework. Increasingly, China sees the “10+3” framework as the pillar and the most viable route for constructing a prosperous, stable, and integrated East Asia in which most of its strategic interests reside.

In Northeast Asia, China continues to be the strongest supporter for reconciliation between South and North Korea. Having developed a very close relationship with South Korea after ten years of diplomatic ties, China is determined to play a more active role in facilitating Korean reunification. China believes that only through policy coordination between South and North Korea can the situation on the Peninsula be normalized, laying the ground for a potential great power concert underpinning a more stable Northeast Asia.

On the other hand, more and more Chinese analysts have come to recognize that without a closer Japan-China relationship, integration in East Asia will be an extremely difficult task. On this account, “10+3” may just provide the necessary institutional setting for the two rivals to build a more constructive relationship.

Russia and Central Asia: SCO as the Northern Pillar

It is China’s conviction that both Russia and China have learned lessons from their past confrontations, and therefore Russia is unlikely to become an archenemy for the foreseeable future even if Russia gets closer and closer to the West.

While the credibility of SCO certainly took a beating when it was unable to react quickly to September 11 and project a unified voice, China’s view is that as a young organization, it was perhaps too much to ask of SCO at the time. With individual Central Asian states desperately in need of economic assistance, it was perhaps inevitable that some of them would trade U.S. presence for economic benefit.

Nonetheless, China does not view SCO as a dead body. Recognizing that it will always face difficulties (even without September 11), China believes that SCO can still become the most vibrant organization in the Eurasian heartland through persistent effort and especially promoting both security and economic cooperation. With its headquarters and anti-terrorism centre due to be established, SCO will have the necessary institutional foundation to move ahead.

The U.S. Presence: Desirability of Constructive Presence

Chinese officials have both privately and publicly affirmed that China desires the constructive presence of the U.S. in the region.

China does not necessarily view every bit of U.S. presence in the region as targeted against China. For many Southeast Asian countries facing the emerging terrorism threat, no other power can play the role the U.S. plays now. Therefore, China has approached the U.S. presence in Southeast Asia with a more relaxed attitude. Indeed, China has come to view
Southeast Asian states as a force in restraining U.S. from taking too confrontational an approach against China.

Of course, China does worry about the possibility that Southeast Asian states will take the U.S. side in case of a conflict across the Taiwan Strait. While deeming such a prospect unlikely, China is pushing ahead with military exchanges and cooperation with ASEAN states as a means for lessening distrust, building confidence, and avoiding confrontation.

As for the U.S. presence in Central Asia, China considers the situation in Central Asia to be in such a flux that it is difficult to foresee what the U.S. presence can truly bring to the region. Moreover, as Central Asia has been Russia’s traditional sphere of influence, if Russia does not object, there is not much China can do.

Overall, while keeping a close watch on the situation, China does not believe that the U.S. presence in the region poses an immediate threat to China’s interest.

The U.S. presence in the region will only decrease if 1) regional states no longer desire the U.S. presence; 2) the U.S. adopts an isolationist policy; 3) U.S. is in a terminal decline; 4) U.S. and China reach an accommodative *modus vivendi*. In the foreseeable future, none of the four conditions is likely to be fulfilled.

In that sense, it would be insensitive for Southeast Asian states to suggest that they want the U.S. to stay because of the rise of China. This is almost like India’s excuse that it had to have nuclear weapon because China was a threat to India.

After all, as I argued above, China has no intention to threaten Southeast Asian states, even though the economic challenge from China is real.

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