

**DRAGON ON TERRORISM: ASSESSING
CHINA'S TACTICAL GAINS AND STRATEGIC
LOSSES POST-SEPTEMBER 11**

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FOREWORD

The U.S. relationship with China and the global war on terrorism are the two most significant strategic challenges faced by the Bush administration. Both are vital and complex; the way the administration manages them will shape American security for many years.

While there is a growing literature on both key strategic issues, little analysis has been done on the intersection of the two. In this monograph, Dr. Mohan Malik of the Asia-Pacific Center for Security Studies fills this gap as he assesses how the war on terrorism has affected China. He concludes that the war on terrorism radically altered the Asian strategic environment in ways that negated China's foreign policy gains of the last decade and undermined its image as Asia's only great power. Dr. Malik then offers a range of recommendations for a more stable relationship with China.

The Strategic Studies Institute is pleased to offer this report to help U.S. defense leaders and strategic planners refine their understanding of security in Asia and the crucial U.S.-China relationship.

DOUGLAS C. LOVELACE, JR.
Director
Strategic Studies Institute

BIOGRAPHICAL SKETCH OF THE AUTHOR

MOHAN MALIK joined the Asia Pacific Center for Security Studies in February 2001, and is currently on leave from Deakin University in Australia where he was Director of the postgraduate Defense Studies Program. Dr. Malik is the author of *The Gulf War: Australia's Role and Asian-Pacific Responses* (Strategic and Defense Studies Centre/A.N.U. Press, 1992) and editor of the three volumes on *Asian Defense Policies* (Deakin University Press, 1994), *The Future Battlefield* (Deakin University Press and Directorate of Army Research and Analysis, 1997), and *Australia's Security in the 21st Century* (Allen and Unwin, 1999). He has contributed numerous chapters to books and published over 90 articles on Asian-Pacific security issues in refereed journals such as *Asian Survey*, *Arms Control*, *Asia-Pacific Defense Reporter*, *Australian Journal of International Affairs*, *China Quarterly*, *China Report*, *Comparative Strategy*, *Contemporary Security Policy*, *Contemporary Southeast Asia*, *Current Affairs Bulletin*, *Defense and Foreign Affairs*, *Issues and Studies*, *Jane's Sentinel*, *Jane's Intelligence Review*, *Journal of Northeast Asian Studies*, *Korean Journal of Defense Analysis*, *Orbis*, *Pacifica Review*, *Strategic Digest*, *Strategic Policy* and *The World Today*. Dr Malik has also done consultancy work for the Australian Department of Defense (Army), and the United Kingdom-based Jane's Information Group.

SUMMARY

Every major event in history has unintended consequences. A major unintended (and unsettling, from Beijing's standpoint) consequence of the U.S.-led War on Terrorism has not only been to checkmate and roll-back China's recent moves at strategic expansion in Central, South, and Southeast Asia but also to tilt the regional balance of power decisively in Washington's favor within a short period of time, thereby highlighting how tenuous Chinese power is when compared to that of the United States. In this sense, September 11, 2001, should be seen as a major discontinuity or nonlinearity in post-Cold War international politics. New strategic and political realities emerging in Asia put a question mark over Beijing's earlier certainties, assumptions and beliefs.

This monograph offers an overview of China's foreign policy goals and achievements prior to September 11, examines Beijing's response to terrorist attacks on the U.S. mainland, provides an assessment of China's tactical gains and strategic losses following the September 11 attacks, and concludes with an evaluation of Beijing's future policy options. It argues that if China was on a roll prior to 9/11, in a complete reversal of roles post-9/11, it is now the United States that is on the move. The U.S.-led War against Terrorism has radically altered the strategic landscape, severely constricted the strategic latitude that China has enjoyed post-Cold War, undermined China's carefully projected image as the next superpower, and ushered in new geopolitical alignments whose ramifications will be felt for a long time to come.

DRAGON ON TERRORISM: ASSESSING CHINA'S TACTICAL GAINS AND STRATEGIC LOSSES POST-SEPTEMBER 11

The U.S.-led War against Terrorism in the aftermath of the September 11, 2001, terrorist attacks has radically altered the strategic landscape and ushered in new geopolitical alignments in Central, South, and Southeast Asia whose ramifications will be felt for a long time to come. This article argues that no other major power has been as much affected by the geopolitical shifts unleashed by the U.S. counteroffensive as China, which has seen its recent foreign policy gains eroded; its long-term strategic goals compromised by the growing U.S. military presence all around China's periphery; the role and profile of its Asian rivals—India and Japan—increasing while its new-found strategic partner, Russia, has almost defected to the American camp; Beijing's much-touted model for multilateral diplomacy—the Shanghai Cooperation Organization (SCO)—sidelined in the face of Washington's post-September 11 unilateralism; and, above all, China's carefully-cultivated image as Asia's only true great power dealt a severe body blow. Ironically, all this has happened as China lined up along with the rest of the international community to condemn terrorism in the strongest possible terms and to declare solidarity with the United States in its hour of need.

This monograph begins with an overview of China's foreign policy goals and achievements prior to September 11, 2001, Beijing's response to the terrorist attacks on the U.S. mainland, and China's motivations and interests behind its support for the U.S.-led anti-terrorism coalition. The second part provides a critical assessment of China's perceived tactical gains and strategic losses and concludes with an evaluation of Beijing's policy options in the fast changing regional strategic environment.

China on the Move: Foreign Policy Goals and Achievements Prior to September 11.

The last decade of the 20th century and the first year of the 21st century had seen China increasingly acting as Asia's largest country and gradually moving closer to realizing its primary objective of emerging as the pre-eminent and pre-dominant power in Asia, over and above Russia, Japan, and India. From Central Asia to the South Pacific Islands, China was seeking greater influence on a wider range of economic, military, and political issues and increasingly challenging the dominant position that the United States has held in Asia since the end of World War II. Revitalized by two decades of high economic growth rates, China was strengthening its traditional military alliances with Pakistan, Burma, and North Korea while forging new strategic and economic quasi-alliances with the former Soviet republics in Central Asia. Beijing was actively wooing Cambodia, Laos, Malaysia, and Thailand in Southeast Asia so as to redraw geopolitical boundaries and to win the regional footholds it has long coveted to project its influence around the Asia-Pacific. From Afghanistan to Burma, Laos and Cambodia, Beijing was building telecommunications networks, power stations, roads, highways, ports and airports, and acquiring mining concessions. In Kazakhstan, it was operating a multibillion-dollar oil-drilling facility while investing heavily in Mongolia's cashmere trade, Nepal's tourist industry, and the South Pacific Islands fisheries trade.¹ This expansion was part of a strategic decision taken in the mid-1990s (after the Taiwan Straits Crisis and the U.S. revitalization of military alliances with Japan and Australia in 1995-96) to cultivate key partnerships with major powers and those of China's neighbors that do not pose a threat to China's security and/or have shared cultural and political values while simultaneously broadening efforts to bring an end to the U.S. military presence and alliance network in the Asia-Pacific region. Beijing's efforts to establish constructive and cooperative

partnerships with Russia, the United States, the European Union, and Japan were aimed at encouraging the trend towards multipolarity as well as reducing the possibility that the United States or other major powers (with or without U.S. backing) will thwart China's rise or frustrate its regional and global aspirations.²

Shedding its initial reservations about the efficacy of multilateralism, Beijing not only embraced it with full vigor but also began promoting multilateralism as an alternative to the Cold War-era U.S. alliance network by making it the basis of its "new concept of security" (first outlined in 1997) to enhance China's reputation as a responsible, constructive and cooperative player in both security and economic deliberations. Chinese leaders and officials took every opportunity to promote the formation of the Shanghai Forum (renamed in 2001 as SCO) in Central Asia in 1996 as an alternative to the Cold War-era alliances and power politics. Furthermore, China's self-restraint in currency devaluation and economic assistance to Thailand and other countries during the Asian economic crisis in 1997 marked the high point of China's "charm offensive." Beijing's sophisticated diplomacy on the Comprehensive Test Ban Treaty (CTBT) and World Trade Organization (WTO) accession negotiations, cooperation on reducing tensions on the Korean Peninsula and in South Asia, helped Beijing win friends and influence people throughout Asia.³

At the same time, Beijing remained uncompromising on core issues (such as Taiwan reunification, missile defense, proliferation of weapons of mass destruction (WMD) technologies, and human rights), and became increasingly assertive (some would say aggressive) in defending its territorial/maritime claims in the East and South China Sea. Double-digit increases in defense expenditure since 1989 and the ongoing military modernization with its special focus on the augmentation of air and maritime warfare, nuclear force modernization, joint warfare operations, and information warfare capabilities gave the Chinese military a new sense of confidence and security.

The development and acquisition of air and naval bases in Burma (close to the Strait of Malacca), Cambodia (Kompong Som/Sihanoukville Port), and Pakistan (Gwadar Port at the mouth of the Strait of Hormuz) were seen as part of China's maritime strategy to position itself along the chokepoints of vital sea lanes from the Arabian Sea to the disputed Spratly Islands in the South China Sea and monitor traffic between the Indian and Pacific Oceans.⁴

As the world's most populous and fastest-growing major economic power, China was seeking a bigger voice in world affairs and frequently voiced unease at what it saw as unbridled U.S. power. Beijing also seemed confident of being able to thwart any American moves to establish an "Asian NATO" by strengthening bilateral economic cooperation with Japan, South Korea, Australia, India, Taiwan, and other Asia-Pacific countries.⁵ There was much talk of Beijing's coming challenge to U.S. supremacy in Asia. China was becoming aligned with Russia and increasing its strategic reach in the republics of Central Asia. In April 2001, China's relations with the United States hit rock bottom when a Chinese pilot was killed after his fighter aircraft collided with a U.S. Navy EP-3 spy plane in international airspace near Hainan Island. Having demanded and obtained an apology from the Bush administration for the spy plane incident, China not only enhanced its image as a great power by demonstrating its will and capability to stand up to the sole superpower, but was also seen as defining the limits to U.S. power in the Pacific. The incident also convinced many Asian countries (especially small and middle powers) that the post-Cold War Asia-Pacific region was once again witnessing a return to the era of bipolarity, this time with the United States and China as the region's two great powers.⁶ Thus, nearly a decade into its role as the world's reigning superpower, the United States was facing an expansive rival and getting locked into another great power rivalry (and perhaps a new cold war) with Asia's rising superpower, the People's Republic of China (PRC).

China Checkmated: The September 11 Terrorist Attacks on the United States and Beijing's Response.

It is said that every major event in history has unintended consequences, and the U.S.-led War on Terrorism in the aftermath of the September 11 terrorist attacks in New York and Washington was no exception to this rule. As will be shown later, a major unintended (and unsettling, from Beijing's standpoint) consequence of the War on Terrorism was that it served to highlight how tenuous Chinese power remains when compared to that of the United States. Within a short period of time, China not only slipped down the regional pecking order but also became more aware than before that the regional balance of power had suddenly tilted decisively in favor of Washington for reasons absolutely beyond Beijing's control. Before explaining the factors behind this sudden shift in power balance, a brief overview of Afghanistan's recent history is in order, followed by an examination of Beijing's official and unofficial response to the September 11 attacks.

During the Soviet occupation of Afghanistan from 1979 to 1989, the United States and China had collaborated in financing and arming resistances forces of Afghan *mujahideens* and Talibans (freedom fighters and Islamic students) through their mutual ally and frontline state, Pakistan, in order to evict the Soviets from that country. China had trained and dispatched Uighurs to fight against the Russians in Afghanistan, fearing that the old silk route along the Karakoram highway built across northern Kashmir could, in time, come under Moscow's domination if the Soviet Union was not dislodged from Kabul. The communist regime in Kabul, which was backed by Moscow and New Delhi, finally collapsed in 1996—7 years after the withdrawal of the Soviet Red Army from Afghanistan in 1989, and was replaced by a Pakistani military-backed radical Taliban Islamic militia which tried to bring order to the war-torn country but failed. With Osama bin Laden making Afghanistan and northwestern

Pakistan his base in the mid-1990s, the region became the epicenter of Islamic extremism, terrorism, and drug-trafficking. The blowback for Beijing was the return of victorious Uighur *jihadis* (holy warriors) to Xinjiang, where some of them fuelled the simmering insurgency for an independent Muslim Eastern Turkestan.⁷ At the time of the September 11 attacks, the Pushtun-dominated radical Taliban regime was in control of 93 percent of Afghan territory, but was recognized only by Pakistan, Saudi Arabia, and the United Arab Emirates, and was subjected to a series of United Nations (U.N.) Security Council sanctions for promoting terrorism, extremism, drug trafficking, and human rights violations. The rest of the country was under the control of the moderate Northern Alliance (dominated by Tajiks, Uzbeks, and Hazaras) that enjoyed the backing of Russia, India, and Iran.

China's official response to the September 11 terrorist attacks was prompt and unequivocal. Describing terrorism as a "common scourge" for the international community, President Jiang Zemin, in his message to President George Bush, expressed "sincere sympathy" and offered "condolences to the family members of the victims."⁸ Subsequent official statements were, however, more circumspect: China urged the United States and other countries to conduct their anti-terrorism military operations through the United Nations.⁹ Beijing wanted an appropriate U.S. military response only after "consultations with the UN," and one directed at "those proven to be guilty" and "clearly defined targets," in "compliance with the international law," and that avoided "civilian casualties."¹⁰ Jiang Zemin's calls to other U.N. Security Council permanent members to reinforce these preconditions, however, did not please the Bush administration officials. Given the frosty state of Sino-U.S. relations in the preceding months, China-watchers were not surprised with Foreign Ministry spokesman Zhu Bangzao's statement of 18 September 2001:

The United States has asked China to provide assistance in the fight against terrorism. China, by the same token, has reasons to ask the United States to give its support and understanding in the fight against terrorism and separatists. We should not have double standards . . . [But] we are not making bargains here.¹¹

Despite his denial that “we are not making bargains here,” Zhu meant exactly what he said. Beijing was indeed “seeking a bargain—a Chinese promise not to veto proposed antiterrorism operation in the U.N. Security Council in exchange for reduced U.S. arms sales to Taiwan.”¹² Not surprisingly, this linkage unnerved Taipei. Taipei warned that Beijing must not be allowed to use the War against Terrorism as an excuse to damage Taiwan’s interests. U.S. Secretary of State Colin Powell felt compelled to deny any *quid pro quo* deal with Beijing.¹³ By the time Chinese Foreign Minister Tang Jiaxuan arrived in Washington for talks with his counterpart, the Chinese side had abandoned all talk of linkage in favor of “unconditional, principled support” for anti-terrorism operations. Having made its expectations, if not conditions, known to the Americans, China decided to earn some goodwill and gratitude by backing U.N. Resolution 1373, endorsing the use of force. The defeat of the radical Islamic forces in Afghanistan and elsewhere would serve China’s long-term interests even though they never posed a security problem to China in the same way as they did to the United States, Russia, Israel, and India.

From time to time, however, reports focusing on China’s record of past dealings with the Taliban regime appeared in the foreign media (see Table 1). These related to the Taliban’s transfer of U.S. cruise missiles fired in August 1998 at *al-Qaeda* camps to China, Chinese firms’ involvement in setting up the Taliban’s telecommunications system, and the shipment of weapons through Pakistan. Describing such reports as “false,” “absurd” and “anti-Chinese propaganda,” the Chinese Foreign Ministry

YEAR	KEY DEVELOPMENTS
December 1998	- Following the escalation of separatist violence in Xinjiang in 1998, contact facilitated by Pakistan between China and Taliban at Beijing's request. Five senior Chinese diplomats held talks in Kabul with the Taliban's Deputy Chairman Mullah Muhammad Hassan, Interior Minister Mullah Abdur Razzaq, and Deputy Foreign Minister Abdurrahman Zayef and obtained their assurance that the Taliban would not allow Afghan territory to be used against China. The Taliban also transferred two unexploded U.S. Tomahawk cruise missiles to China for \$20 million each. In return, the Chinese agreed to: • start direct flights between Kabul and Urumuqi; • open formal trade ties; • increase Chinese food aid to Afghanistan; • institutionalize military-to-military contacts; and • provide arms and spares for Taliban's aging military equipment.
October 1999	- Annual felicitations conveyed by Mullah Omar (via Radio Shariat) on the occasion of China's National Day from 1999.
November 2000	- A delegation from the Ministry of State Security-run think tank, China Institute of Contemporary International Relations, visited Kabul and Kandahar.
December 2000	- A delegation led by China's ambassador to Pakistan, Lu Shulin, met with Mullah Omar, following the Taliban's plea to veto U.S.-Russian moves to tighten U.N. Security Council sanctions (including travel restrictions against Taliban officials).
2000	- China's Huawei Technologies Co., also accused of helping Iraq to upgrade its military communications system, signed a deal to install 12,000 fixed-line telephones in Kandahar. - Another Chinese telecom firm, ZTE, agreed to install 5,000 telephone lines in Kabul after Pakistan provided a counter-guarantee for the project.

Table 1. China's Taliban Connection, 1998-2001.

2001	- China started the repair work on Afghanistan's power grid, damaged by years of war. Repair and expansion work on the Kajaki Dam in Helmand, Dahla Dam in Kandahar and the Breshna-Kot Dam in Nangarhar began. - The Dongfeng Agricultural Machinery Company was hired to add 16.5 MW to power generation. Work was still in progress when the site was bombed in November 2001. - The Chinese were involved in refurbishing the Herat Cement Plant. - By late 2001, China had become the biggest investor in Afghanistan, with "legitimate" investments running to several tens of millions of dollars.
July 2001	- A Taliban delegation, led by their Commercial Attaché to Pakistan, spent a week in China as guests of the government. The Chinese Commerce Ministry facilitated their interaction with some Chinese industrialists and businessmen. - Chinese Foreign Minister Tang Jiaxuan met with a Taliban delegation whilst visiting Pakistan, and agreed to consider the Taliban's position on U.N. sanctions against Afghanistan.
August 2001	- Osama bin Laden called for cultivating closer Taliban-China ties to reduce U.S. influence.
September 2001	- A new protocol on Sino-Taliban commercial relations was inked on September 11: the day of the World Trade Center attacks.
October 2001	- A Taliban military commander, Maulvi Jalaluddin Haqqani, told a Pakistani newspaper that China had maintained contacts with the Islamic militia even after U.S. air strikes had begun, and that Beijing was "also extending support and cooperation to the Taliban, but the shape of this cooperation cannot be disclosed." China's government described the commander's statement as a "fabrication." - U.S. intelligence reported that China continued to supply arms (including Chinese-made SA-7 shoulder-fired missiles) to <i>al-Qaeda</i> terrorists after September 11.

Table 1. China's Taliban Connection, 1998-2001 (continued).

December 2001	- Indian media reported that the Indian Government was considering deporting 185 Chinese telecom experts working at Huawei Company's Bangalore office, who were suspected of developing telecom surveillance equipment for the Taliban. China's ambassador to India issued a denial. - Defense Secretary Donald Rumsfeld said Alliance forces near Tora Bora had "captured a good deal of Chinese ammunition." The Chinese Foreign Ministry spokesman said he had "no idea" what Rumsfeld was referring to. - U.S. officials acknowledged that a few Chinese passport-holders were discovered among the fighters in Afgha
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SOURCE: A. Rashid, "Taliban temptation," *Far Eastern Economic Review* [hereafter *FEER*], March 11, 1999; R. Chattoapdhyay, "China's Taliban Connection," *Bharat Rakshak Monitor*, Vol. 4, No. 3, November-December 2001; T. S. Sahay, "Taliban-China deal puzzles diplomats," *Rediff.com*, February 12, 1999; "Bin Ladin Calls for Taliban-China Good Relations to Reduce US Influence," *Ausaf* (Pakistan), August 14, 2001, trans. in FBIS; AFP, "China paid Laden for access to Cruise missiles," March 9, 2001; J. Pomfret, "China Strengthens Ties With Taliban by Signing Economic Deal," *Washington Post*, September 13, 2001; M. Hasan, "Taliban team to visit China to boost," *The Nation*, July 4, 2001; D. Murphy and S. V. Lawrence, "Beijing Hopes to gain from US raids," *FEER*, October 4, 2001; D. Bristow, "China flirts with an independent pro-active Afghan policy," *Central Asia Analyst*, January 3, 2001; "China Firm Trades with Taliban," *FEER*, March 15, 2001; C. McLeod, "China-Taliban Deal Signed on Attack Day," *Washington Times*, September 14, 2001, p. 1; J. Iyengar, "Chinese geeks to be deported for Taliban links," *Economic Times* (India), December 10, 2001, p.1; B. Gertz and R. Scarborough "Chinese help Taliban," and "China-al-Qaeda nexus," *Washington Times*, November 23, December 21, 2001, p. 8; "China sold arms to al-Qaeda after Sept 11," December 22, 2001, <http://headlines.sify.com/399news4.html>; B. Gertz, "China-Made Artillery Seized In Afghanistan," *Washington Times*, April 12, 2002, p. 1; "China denounced ties with Taliban," and "Anti-terrorism stance reiterated," *Beijing Review*, September 27, 2001 and November 1, 2001, p. 5.

Table 1. China's Taliban Connection, 1998-2001 (concluded) .

moved quickly to distance itself from the Taliban. However, U.S. Defense Secretary Donald Rumsfeld acknowledged that hundreds of Chinese artillery rockets, multiple-rocket launchers, rocket-propelled grenades, mines and rifles were found in raids on Taliban and *al-Qaeda* camps in Tora Bora and elsewhere by troops of the 18-nation International Security Assistance Force (ISAF). These weapons were most likely either smuggled into Afghanistan from China and Pakistan or left over from the 1980s, when Beijing, along with Washington, was a major supplier of the anti-Soviet *mujahideen* fighters. They could also have been supplied before September 11, 2001, as part of China's own two-pronged "congame" strategy to contain the militancy through "strike hard" campaigns inside Xinjiang, while nipping the Uighur separatist movement in the bud by engaging its Taliban sponsors in Afghanistan.¹⁴

Beijing also dispatched a team of counter-terrorism experts to Washington to explore ways in which both sides could cooperate, amid positive signs that China was willing to share "useful intelligence" on the *al-Qaeda* network. The Chinese agreed to allow the United States to station Federal Bureau of Investigation (FBI) officials in Beijing—a request that had lingered without action for at least 18 months. This paved the way for the establishment of cooperation mechanisms with Washington on sharing intelligence, financial transactions and law enforcement. The Standing Committee of the National People's Congress ratified China's accession to the International Convention for the Suppression of Terrorist Bombing and the State Council decided to be party to the International Convention for the Suppression of Financing of Terrorism. Beijing seized the opportunity to redouble its efforts to crush various opposition groups, including (but not limited to) Uighur insurgents, some with *al-Qaeda* links, in Xinjiang province where Beijing has long struggled to quell a nascent insurgency. Worried about the spill-over effect of U.S.-led military strikes resulting in the flight of *al-Qaeda* leaders into China's troubled western region bordering Afghanistan

and Pakistan, Beijing also sealed its borders with both countries and put its border troops on high alert. Furthermore, China supplied a significant amount of food relief for refugees from Afghanistan. China also pledged U.S.\$150 million for the reconstruction of post-war Afghanistan and indicated that it might provide troops to a United Nations peacekeeping force in Afghanistan after U.S. troops are withdrawn.¹⁵

While Jiang Zemin and others in the politburo realized that China's interests lay with Washington following the September 11 terrorist attacks, some Chinese intellectuals and officials reacted gleefully to the attacks. The state-run media made much of the fall of the World Trade Center twin towers as a humbling of American arrogance and a direct consequence of American "bullying" around the world. In other words, "America got what it deserved." Student postings on electronic bulletin boards were also highly critical of the United States in its dealings with developing countries. One comment was particularly telling: "We Chinese will never fear these people [Americans] again; they have been shown to be soft-bellied paper tigers." However, the Chinese authorities quickly cracked down on celebrations and rejoicing among some of their citizens and in Internet chat rooms. Still, the official media played down the attacks, "suggesting a reluctance to acknowledge that America as victim had a right to take the battle to the aggressors."¹⁶ There was also an expectation in official circles that the U.S. military operation could turn out to be a long drawn-out affair, perhaps another Vietnam. As one commentary in the *Beijing Review* noted:

Will the U.S. soldiers get stuck fighting the opposition with the same light weapons used by the Talibs, just as they once got stuck while fighting the Vietnam War? The Talibs have, after all, been fighting for 30 years and have grown up with rifles. They know the terrain by heart, and are adept at making ambushes. The ground forces of the United States and Britain will not be able to protect its rear, as not all of their communications and supply lines will be guaranteed.¹⁷

Apparently, behind China's "unconditional and principled support" lay the assumption that the United States would get bogged down in Afghanistan, and Washington's need for greater support in the conduct of the war would give Beijing the opportunity to extract concessions in the near future. At least, this is what the intelligence agency of China's closest ally, Pakistan, had told the rulers in Islamabad and Beijing. And Beijing seemingly "fell into the trap of believing Inter-Services Intelligence (ISI) assessments from Pakistan that the anti-Taliban campaign would be protracted, that the US would get stuck with an unending quagmire and get seriously bloodied as the Soviets had experienced in the 1980s."¹⁸

However, the quick, sudden and total collapse of the Taliban/*al-Qaeda* "defences" took everyone—its mentors (the Pakistani military), friends (Middle Eastern countries and China), and enemies (United States, Russia, and India)—by surprise. For Washington, the swift military victory over the Taliban also obviated the need for any trade-offs with other countries. The rapid advance of Northern Alliance forces and the fall of Kabul upset Beijing's strategic calculations, made Pakistan feel squeezed again on its western and eastern frontiers, and led to a reconsideration of China's strategy. Pakistan President Pervez Musharraf was invited to Beijing for urgent consultations on a "common strategy for establishing peace and stability in the region." China reportedly shared the Pakistani concern over the situation arising out of Afghanistan's "occupation by the [Northern] Alliance forces, in disregard to the wishes of the U.S. and the United Nations."¹⁹

Consequently, the Chinese made specific recommendations for a post-Taliban government in Afghanistan: political solutions should be home-made, broad-based and balanced; foreign troop deployments must be limited in both numbers and time; no one should pressure the Afghans on how to sort out their affairs; and the

“moderate Taliban” (that is, the Pashtun friends of China’s all-weather-friend, Pakistan) should rule. Pakistan, desperate to salvage what it could from its Afghan misadventure, had long been pushing for accommodating less extreme Taliban elements in a post-war government, and Powell had reluctantly agreed to this during his October 2001 visit to Islamabad in order to keep the Pakistani military regime on the U.S. side. Claiming that “moderate Taliban is oxymoronic,” Russia and India, however, reacted by issuing a joint statement rejecting the U.S., Pakistani, and Chinese pleas for the inclusion of “moderate Taliban” in an interim government.²⁰ In an interview with Italian daily *La Stampa* in late November 2001, Foreign Minister Tang Jiaxuan also demanded “*intervention by the United Nations and its Security Council* (where China has a say via its veto) *in a more intensive and active fashion*” (apparently to stall the political domination of the Northern Alliance forces), and cautioned that “the United States should not decide the future of Afghanistan all by itself.” Beijing made these demands on the grounds that China is a neighbour of Afghanistan and therefore a potential victim of hostility and instability there. Furthermore, Tang for the first time officially gave a name to the insurgency in Xinjiang province as the “struggle for the independence of ‘Eastern Turkestan.’”²¹

Some China-watchers have argued that China did not explicitly endorse the U.S. military action in Afghanistan and that Beijing’s stance seemed “hesitant, tentative and reserved.”²² While U.S. and Chinese interests converged on the need to eradicate terrorist training camps and support networks in Afghanistan, the two countries did not necessarily agree on the best means to achieve this objective. The official reaction was also at variance with Chinese public opinion, which is highly nationalistic and frequently anti-American. However, nor did the Bush administration, still smarting from the EP-3 incident, seem too eager to enlist China’s support and assistance. Beijing was treated consistently as a secondary player, and in fact,

Jiang Zemin was not among the first round of world leaders that Bush called before he authorized the U.S. military attacks in Afghanistan. Others contended that China's major contribution to the U.S.-led anti-terrorism coalition was in delivering its long-term ally, Pakistan, to Washington's war effort, assuring Islamabad that decades of unwavering Chinese support would continue, and by bolstering frontline ally, Pakistan, with economic aid and diplomatic support. Soon after the attacks, Jiang Zemin tasked Vice Foreign Minister Wang Yi as a go-between for the United States and Pakistan. He traveled twice to Islamabad, in late September and again in late November.²³ Beijing reportedly worked behind the scenes to persuade Pakistan to provide base access and overflight rights to U.S. military forces headed into Afghanistan. Assuming that was the case, the U.S. Government did not publicly acknowledge any such Chinese assistance, as it might have involved trade-offs. In fact, Washington made it very clear shortly after September 11 that it would not engage in any *quid pro quo* with Beijing.²⁴

On balance, China's response could at best be described as "pragmatic" and at worst as "muddling through." Since this was the first time China endorsed U.S. military action against a sovereign state, it was not an easy decision to arrive at. Beijing's attitude to U.S. action in Afghanistan gradually evolved from an initial hesitance to backing as China realized that it could reap significant benefits from the U.S.-led War on Terrorism. Nonetheless, the fact remains that Beijing's four key requests—that the United Nations should have a greater role in monitoring Afghanistan's peace; that the United States should view Uighur Muslim separatists in China as terrorists; that "moderate Taliban" be included in the future government; and, more importantly, that there should be a cutback in U.S. arms sales to Taiwan—remained unfulfilled.

Tactical Gains and Transitory Benefits.

A hard-nosed calculation of costs and benefits showed that Beijing stood to reap a range of benefits, at least in the short to near term, from its support for the U.S.-led War on Terrorism.

First, it provided a welcome change from the U.S. focus on “the China threat” to a new common enemy requiring Sino-U.S. cooperation more than a decade after the collapse of the Soviet Union. Prior to 9/11, relations between the world’s most powerful country and its most populous one were heading towards confrontation over a whole range of issues. As soon as Bush took office in January 2001, he telephoned every major world leader except Jiang Zemin, a clear signal of how the Bush administration felt about China, the “strategic competitor.” Then Washington downgraded Beijing’s priority for U.S. policymakers, placing China well behind its Asian allies—Japan, South Korea, and Australia, and even India and Russia—for core foreign policy attention. For example, Deputy Secretary of State Richard Armitage was sent to New Delhi to brief the Indian government on U.S. missile defense plans, while the lower-ranking Assistant Secretary of State James Kelly went to Beijing for the same purpose.²⁵ Sino-U.S. relations hit their lowest point in April 2001 when a People’s Liberation Army (PLA) pilot was killed after his jet fighter and an American Navy EP-3 spy plane collided near Hainan Island. With talks on Chinese nuclear and missile proliferation to “rogue states” stalled, disputes over U.S. support for Taiwan persisting, and U.S. withdrawal from the Anti-Ballistic Missile (ABM) Treaty with Russia despite China’s objections, the anti-terrorism campaign emerged as the only bright spot in relations.

Many Chinese analysts argued that Beijing should take advantage of U.S. eagerness for support to shore up its own often troubled relationship with Washington and thereby benefit from pursuing Beijing’s own version of a “conengagement” strategy vis-à-vis Washington to keep U.S.

power in check. Jiang Lingfei noted with satisfaction that the conflict between the United States and China was “no longer the most important confrontation in the world” as “three forces—national separatism, religious extremism, and terrorism—have become the focus of international strife.” This development “altered U.S. judgment of where the threat comes from, and also changed [its] attitude regarding China as the real strategic opponent, thus easing the tension in Sino-U.S. relations.” He and others hoped that the watershed of September 11 would curb U.S. strategic expansion in Asia, and create conditions for China’s peaceful reunification with Taiwan.²⁶ Beijing’s cautious support for the anti-terror campaign did indeed bring China U.S. acquiescence when Taiwanese President Chen Shui-bian was not invited to the Shanghai summit of the Asia-Pacific Economic Cooperation (APEC) forum in October 2001.

To match words with deeds, Beijing granted approval for a U.S. aircraft carrier and its battle group to make a port call in Hong Kong in late November on their way to the Arabian Sea in what was seen as a sign of Beijing’s logistical support for the War on Terrorism.²⁷ Furthermore, at a time of slowdown in the U.S. economy, the Chinese government placed a U.S.\$1.6 billion order for Boeing aircraft, and made little fuss over the discovery of bugging devices aboard the U.S.-made airplane intended to serve as Jiang Zemin’s private jet. The Chinese leadership’s response to the ring of military encampments that the United States established in Central and South Asia and the Philippines was restrained, as was its view of a new Japanese law authorizing military participation in the war. Some Chinese officials have made it a point to emphasize that the U.S. military presence in the region contributes to peace and stability.²⁸ For example, the *Washington Post* quoted a senior strategist from the PLA as saying that the short-term presence of U.S. troops in Central Asia “might even be good for our [China’s] security,” a suggestion that would have been considered blasphemous before September 11.²⁹

For its part, the Bush administration responded by dropping references to China as a “strategic competitor,” a term used by the Bush administration to differentiate their approach to China from that of the Clinton administration. At the APEC meeting in October 2001, Bush referred to China as a “great power” and emphasized Washington’s desire to shape a constructive relationship with Beijing. To some Chinese analysts, by the time President Bush arrived in Beijing for his second visit in five months, in February 2002, relations between the two countries had started to resemble the “constructive strategic partnership” that the Clinton administration was aiming for. There is no denying the fact that a dramatic shift in U.S. priorities after September 11 contributed to an improvement in the overall atmospherics and tone of the Sino-U.S. relationship. In short, behind Beijing’s solidarity with the anti-terrorism coalition lay great expectations of finding a common enemy once again to reconstruct a co-operative and strategic partnership with the United States after more than a decade of drift, distrust, and acrimony following the Soviet collapse.

Second, greater certainty and predictability in Sino-U.S. relations would facilitate domestic stability, ensure a smooth political leadership transition and sustain high economic growth in China. Maintaining a good, stable, and predictable relationship with the United States is considered vitally important for China’s continued economic growth as the United States is the largest source of investment, capital, and technology and provides the largest market for Chinese goods. In addition, at a time of domestic political leadership transition to the fourth generation (from Jiang Zemin to Hu Jintao), Beijing hopes that the U.S. War on Terrorism could be used internally to strengthen the hand of the Chinese regime against its opponents. From Beijing’s perspective, an underlying aspect of the American campaign is that its thrust, throughout the world, will be to favor the cause of order and stability over chaos and instability. And this also

works to Beijing's advantage. After all, the examples of Afghanistan, Pakistan, and Indonesia show that weak and failed states usually become the hotbeds of terrorism and extremism. In short, preoccupied with social and economic problems following China's accession to the WTO and political leadership transition, Beijing wanted to avoid a confrontation with Washington that could jeopardize the economic benefits that flow from stable U.S.-China ties.

Third, given the Chinese economy's growing dependence on oil imports, Beijing also shares Washington's interest in ensuring unimpeded oil supplies as well as stable and low oil prices. Should major oil-producing countries in the Middle East and Central Asia fall victim to radical Islamic fundamentalism, such a development would potentially undermine China's economic development.

Fourth, Beijing has interpreted the resumption of Sino-U.S. consultations on security issues of mutual concern as an acknowledgement of the limitations of U.S. unilateralism and as a net policy gain. Chinese analysts concluded that the United States had learned that in the age of globalization and economic interdependence, security is indivisible. Washington could no longer afford to go it alone and would have to stop being so "highhanded, unilateralist, and hegemonic in its attitude toward others."

Fifth, overall improvement in U.S.-Pakistan relations is seen as a positive development for Sino-U.S. relations as well as regional stability. Beijing has become increasingly concerned in recent years over the gradual shift in the regional balance of power in South Asia with the steady rise of India, coupled with a growing Indo-U.S. entente, talk of "India as a counterweight to China" in Washington's policy circles, and Pakistan's gradual descent into the ranks of failed states.³⁰ Since the end of the Cold War, a politically dysfunctional and economically bankrupt Pakistan's flirtation with Islamic extremism and terrorism coupled with its nuclear and

missile programs had alienated Washington. However, September 11 changed all that. Pakistan saw an opportunity to revive its past close relations with the United States, shed its near pariah international status, and enhance its economic and strategic position vis-à-vis India by instantaneously becoming a “frontline state” in the international coalition to fight global terrorism. In return, Washington lifted sanctions and agreed to provide Pakistan with billions of dollars in aid and debt rescheduling. From Washington’s perspective, courting Musharraf made geopolitical sense because the Pakistani military not only knew a great deal about the Taliban, Osama bin Laden, and *al-Qaeda* but also because any U.S. military operation against Afghanistan could not be successful without bases, logistics, personnel, and airspace in neighboring Pakistan. Had Beijing told its ally, Islamabad, to reject Washington’s bid for an alliance against the Taliban, there may not have been any Islamabad-Washington-Beijing cooperation against terrorism. To old-timers in the three capitals, the U.S., Pakistani and Chinese cooperation on Afghanistan is reminiscent of an earlier confluence of interests—also played out in Afghanistan a decade ago—to fight occupying Soviet forces.

In Beijing, there were great expectations of a sharp downturn in Indo-U.S. relations because in many ways what happens on the Indian subcontinent is unavoidably a zero-sum game and China and Pakistan’s new relationship with the United States did affect India negatively.³¹ A Chinese National Defense University’s specialist on South Asia, Wang Baofu, noted with satisfaction that under the new circumstances, “the United States, considering its own security interests, readjusted its policies toward South Asian countries and started paying more attention to the important role of Pakistan in the anti-terrorism war, therefore arousing the vigilance and jealousy of India.” Wang criticized India for “*defin[ing] resistance activities in Kashmir as terrorism by taking advantage of U.S. anti-terrorism war in Afghanistan*,” thus putting more

pressure on Pakistan through the United States,” and praised Musharraf for his “clear-cut attitude toward fighting against international terrorism.”³² As tensions flared between India and Pakistan over suspected Pakistani-backed terrorist attacks on the Indian Parliament on December 13, 2001, Beijing rushed jet fighters, nuclear and missile components, and other weapon systems to shore up Pakistani defenses in the border face-off with India.³³ General Musharraf visited Beijing twice in less than a fortnight for consultations with Jiang Zemin and Zhu Rongji, while General Zhang Wannian, vice-chairman of China’s Central Military Commission, met with General Muhammad Aziz Khan, chairman of Pakistan’s Joint Chiefs of the Staff Committee, and was quoted as telling Khan: “For many years the militaries of our two nations have maintained exchanges and *cooperation at the highest and all levels and in every field*. This fully embodies the all weather friendship our nations maintain.”³⁴ Zhang’s reference to “cooperation . . . in every field” (meaning nuclear and missile fields) was a thinly veiled warning to India to back off. Later, Beijing claimed some credit for *mediating* between the two sub-continental rivals despite the Indian government’s aversion to the dreaded “M” word: “*Mediated* by the United States, China, Britain, and Russia, leaders of India and Pakistan recently expressed their desire to try to control the tense situation.”³⁵ The India-Pakistan border stand-off in May-June 2002 once again demonstrated that broader geo-strategic concerns would make China covertly side with Pakistan, while publicly calling for restraint by both sides and appearing to be even-handed.³⁶

China also took other measures to put Pakistan at ease. Chinese leaders lobbied the United States to provide liberal and long-term economic assistance to their frontline ally. Pakistan was promised about \$1.5 billion in U.S. aid to make up for war-related losses in tax revenue, investments, and exports, with more to come. For its part, China gave Pakistan emergency assistance totaling \$1.2 million during

September-December 2001, in addition to an unspecified amount of aid announced during Musharraf's 5-day visit. Chinese engineers and technicians, withdrawn from Pakistan because of security concerns after September 11, were ordered to resume work on extensive investment projects there, which included copper mining, oil and gas exploration, and a \$200 million project to build a highway and naval port in Gwadar on the Arabian Sea.³⁷

Another major dividend was the muted criticism of Beijing's "Strike Hard" campaign against separatists (in Xinjiang and Tibet), religious cults (such as Falungong) and political dissidents. Knowing well that the cases for Xinjiang and Tibet to exercise self-determination historically are much stronger than that of Kashmir or Chechnya, China has always very been sensitive to the issue of territorial integrity. China's support for the anti-terrorism operation was based on the assumption that its success would help Beijing solve one of the oldest problems faced by the Chinese empire: how to pacify, control and Sinicize its newly acquired territories in Xinjiang and Tibet—two vast regions that occupy about 30 per cent of China's landmass and are rich in mineral resources, oil and gas. Within days of September 11, China sought to link the worldwide campaign against terrorism with its efforts against "separatism" in Xinjiang, Tibet, and Taiwan. Cloaking its actions in the rhetoric of counter-terrorism, Beijing seized the opportunity to redouble its efforts to crush various opposition and separatist groups, curtail religious freedom, and silence the voice of a restive ethnic minority because "it could now cast its support of the anti-terror campaign as morally correct, not merely politically expedient, and without worrying too much about human rights violations."³⁸ Nearly 4 months after *al-Qaeda* was implicated in the September 11 terror attacks, China's State Council Information Office issued a document on January 21, 2002, entitled "East Turkistan' Terrorist Forces Cannot Get Away With Impunity," which marked by far the most direct attempt by the Chinese government to

link—and thereby justify—its crackdown on Uighurs in Xinjiang, with the American campaign against bin Laden’s *al-Qaeda*.³⁹

Finally, participation in the War on Terrorism was supposed to enhance China’s image as a responsible, rational and constructive player, and a good international citizen. Beijing’s search for allies to counter U.S. global hegemony and its Asian rivals (India and Japan) has led China into dangerous liaisons with the proliferators of WMD and into the arms of dictators from North Korea to Iraq. The War on Terrorism provided Beijing with the opportunity to join the ranks of the world’s leading nations rather than stand with rogue nations or be the “odd man out.” The last thing Beijing wants to see is the United States, Europe, and Japan getting together to make decisions about the future of Asia without consulting China.

Strategic Losses, Shocks and Reverses.

However, it did not take long for the policymaking elite in Beijing to realize that most of the perceived policy gains and benefits were tactical, minor, and transitory in nature. Not only that, the U.S.-led War on Terrorism was developing in ways that could not have been anticipated or foreseen, with potentially disastrous consequences for China’s core strategic interests.⁴⁰ The reverberations from the military campaign against Taliban/*al-Qaeda* were being felt largely outside Afghanistan’s borders and bringing about a swift and radical shift in the regional balance of power.

First, serious Sino-U.S. differences persist over Taiwan, WMD proliferation, missile defense, human rights, and religious freedom. Despite a significant improvement in the atmospherics and exchanges of high-level visits, the Sino-U.S. collaboration in the anti-terrorism campaign has at best papered over, and, at worst, widened the gulf between Beijing and Washington. As noted earlier, Beijing was hoping that an overall

improvement in bilateral ties would make Washington sensitive to China's primary concern, that is, Taiwan.⁴¹ However, Beijing watched with dismay and consternation as the Bush administration took a series of "provocative measures"—granting a transit visa for Taiwanese Vice-President's New York visit in January 2002; inviting the Taiwanese Defense Minister to the United States; reiterating the primacy of the Taiwan Relations Act over three joint communiqués, coupled with the promise to defend Taiwan if China attacked; the launching of the U.S. Congressional Taiwan Caucus; and, more importantly, approval of weapons sales and training programs for Taiwan's military. These steps not only amounted to the most unambiguous backing of Taiwan in two decades but also unraveled decades of Chinese diplomacy aimed at getting the United States to limit its support for the island. The consolidation of power by President Chen Shui-bian's Democratic Progressive Party in Taiwan's December 2001 elections and the decision to add the words "Issued in Taiwan" to the cover of Taiwanese passports were seen as setbacks to Beijing's reunification drive. Beijing responded by angrily warning Washington against testing Chinese resolve on Taiwan and accused the latter of exhibiting "dangerous tendencies" that risked confrontation.⁴²

Furthermore, Chinese officials' hopes for a softening of the U.S. stance over the issue of WMD proliferation by lifting all sanctions on Chinese companies (including those imposed 10 days before the September 11 attacks because of Beijing's noncompliance with the November 2000 nonproliferation agreement) also evaporated when the Bush administration announced its intention to tighten controls on the exports of certain high-tech products to China because of the perception that Beijing is a "problematic proliferator."⁴³ A month before Bush's visit to China to commemorate the 30th anniversary of President Richard Nixon's first visit to the Middle Kingdom, U.S. ambassador Clark Randt described China's proliferation of strategic technologies to Pakistan and Iran as "a

make-or-break issue for us.” Two days later, on January 24, 2002, the State Department imposed sanctions on three Chinese entities found to be in violation of the Iran Non-Proliferation Act of 2000.⁴⁴ Apparently, the growing threat of WMD terrorism after September 11, especially the prospect of Chinese-supplied Pakistani nuclear weapons falling into the hands of Islamic terrorists, had hardened Washington’s stance over Chinese proliferation. In his meeting with Jiang Zemin, President Bush urged him to halt exports of missile technology and to cooperate with the United States to keep WMD out of the hands of terrorists and their state sponsors. However, the lack of progress on the non-proliferation front led to the further imposition of sanctions against Chinese entities twice (on May 9 and July 24, 2002) in 3 months.

Washington’s other actions were also far less reassuring. For example, the Bush administration’s decision to abandon the 1972 ABM Treaty with Russia in order to pave the way for the development and deployment of missile defenses was seen as an insensitive and ill-considered move that openly humiliated China despite the latter’s support for Washington’s War on Terrorism. The fact that Beijing muted its once-fiery response to this “destabilizing” move was a sign that China was feeling increasingly constrained by Washington’s emerging global strategy.

Contrary to Beijing’s expectations, the Bush administration also refused to tone down its criticisms of Chinese policies on religious freedom and political liberties even as it urged Beijing’s increased support for the antiterrorism campaign. In fact, China’s intensification of the crackdown on internal forces of extremism, separatism, and subversion in Xinjiang and Tibet led Bush to caution Jiang Zemin at the Shanghai APEC meeting that the war on terror “must never be an excuse to persecute minorities.” Again, in late January 2002 Ambassador Clark Randt warned that Beijing’s membership in the coalition against terrorism was not a “devil’s bargain” that gave it an excuse

to persecute its ethnic minorities.⁴⁵ As one observer of Sino-U.S. relations pointed out:

Post-September 11, the relationship between the U.S. and China has not changed much. The rhetoric may have improved, but ties remain fragile and unstable, and as vulnerable as ever to sudden deterioration as a result of accidents, misperceptions, and eruption of unresolved bilateral issues.⁴⁶

In short, the War on Terrorism has shown that U.S.-China relations are characterized more by shared exigencies than shared objectives.

Second, sharp differences have emerged over interpretations of terrorism and the broadening of the War on Terrorism. As noted earlier, China's support for the U.S.-led anti-terrorism campaign stemmed from the self-serving goal of seeking legitimacy for its own battle against separatist forces in Xinjiang and Taiwan. However, much to Beijing's chagrin, the United States has flatly rejected attempts to equate the Uighurs' independence movement in Xinjiang with the Taliban or *al-Qaeda*, and has refused to lift post-Tiananmen sanctions that would improve Chinese military capabilities in Xinjiang on the grounds that China's internal problems have little or nothing to do with the events of September 11. And rightly so. It is also well known that Osama bin Laden's primary focus has always been U.S. military presence in the Middle East and its pro-Israel policy. He also trained fighters for war in Chechnya against Russia and in Kashmir against India, but he has never made the same effort to train fighters for Xinjiang. This was partly because the Taliban/*al-Qaeda* network was created and backed by China's surrogate, Pakistan.⁴⁷ Moreover, Beijing's claims that the Uighurs have been inspired, encouraged and supplied by *al-Qaeda* and the Taliban stationed in neighboring Afghanistan flies in the face of reality that the part of Afghanistan bordering China was never in Taliban hands but under the Northern Alliance's control, a constraining factor for any type of relationship between the

Uighurs and terrorists across the border. It is also noteworthy that China, with Pakistan's help, tried all along to prevent the moderate Northern Alliance forces' victory over the radical Taliban.⁴⁸ Besides, China's "Muslim problem" has never been as serious as India's in Kashmir or Russia's in Chechnya. Being an autocratic state, the Chinese communist regime has often resorted to strong-arm tactics and mass executions without worrying about critical media scrutiny or public opinion fallout that democracies like India and Russia have had to contend with.

Such opportunism on Beijing's part could also damage the legitimacy of the global anti-terrorist campaigns in Afghanistan and elsewhere.⁴⁹ That is why General Francis Taylor, the U.S. special envoy on counterterrorism, turned down demands by Chinese officials for the repatriation of Uighurs captured in Afghanistan, saying that Washington did not support Beijing's effort to paint Uighur Muslim nationalists as terrorists. He revealed that the *al-Qaeda* had cells in 50 countries but did not mention China as one of those 50 countries. Taylor said: "Muslims in Xinjiang have legitimate economic and social issues that . . . need political solutions, not counter-terrorism." To allay any misconceptions, he added: "The United States hasn't changed its values. We continue to hold very dearly our concern in areas such as human rights."⁵⁰ However, from Beijing's perspective, the U.S. stance on Xinjiang and captured Uighurs was "just another example of Washington's double standards on international issues—China's terrorists are not the same as the United States' terrorists." Differences over what constitutes terrorism further adds to Beijing's deep distrust of Washington's motives and intentions.⁵¹

Nor does Beijing like the idea of the anti-terrorism war becoming an open-ended war from Pakistan to the Philippines. The prospect of unilateral U.S. military interventions against Iraq or North Korea would surely exacerbate U.S.-China relations where Beijing has

significant strategic and commercial interests at stake. The ongoing operations have received tacit acceptance by Beijing, but a future Chinese response would include insistence on the authority of the U.N. Security Council and principles of nonintervention and noninterference in the domestic jurisdiction of a sovereign state.

Third, the United States has emerged united and stronger from the War on Terrorism and U.S. military expansion and presence all around China's periphery in Central, South, and Southeast Asia is seen as part of a strategy to "encircle and contain China." U.S. military superiority—as demonstrated in the swift victory in Afghanistan—has once again stunned Chinese strategists, reinforcing feelings of military inferiority and potential vulnerability, and has upset their strategic calculations of a long drawn-out Vietnam-type conflict in Afghanistan. As a prominent Chinese defense analyst, Yan Xuetong, has put it:

With an overall military budget of \$331 billion—nearly 20 times China's stated defence budget—the U.S. is virtually unstoppable. The gap between the U.S. and other military powers is not just in quantity but also in quality. And this gap will make the U.S. become more and more unilateralist and care less and less about other countries' interests.⁵²

As the United States deployed troops in the energy-rich regions of Central Asia and the Caucasus, acquired bases and increased influence in South Asia, and returned to South East Asia, the supposedly "brief" Unipolar moment in history seemed to be turning into a long-lasting Imperial moment—*Pax Americana par excellence*. Beneath the smiles and handshakes and talk of opening a new chapter in Sino-U.S. relations are the lurking fears of American encirclement and containment of China—a hot topic among Chinese strategists and foreign policy analysts. A powerful undercurrent of opinion reflects rising concern about U.S. actions and policies post-9/11, which many see as boosting the already worrisome U.S. ascendancy on the world stage.

To make matters worse, China saw one after another country that Beijing had hoped to woo as a potential ally in the global coalition against American hegemony, including Pakistan, Russia, and the Central Asian republics, forming cozy new relationships with the United States.⁵³ Seen from Beijing's perspective, any recent tour of the strategic horizon is bleak and getting bleaker:

Due to the special strategic geographic importance of Central and South Asia, the United States will not easily give up expansion in this area. Afghanistan is the communication hub of Central Eurasia. . . For the United States, control over Afghanistan and Central Asia could enable NATO to push forward its eastward expansion simultaneously from the east and west, while helping join the U.S. military forces in Europe, especially in Turkey, with those in the Asia-Pacific region. In that case, the United States will be able to nibble away the strategic space of Russia to the north and threaten the security of west China to the east; while to the west, it will be able to contain Iraq and Iran, thus providing coordinated support for its troops in the Middle East, and, to the south, control the two nuclear powers—India and Pakistan. . . Terrorist attacks on the United States gave it a good opportunity to expand globally. . . Complete U.S. withdrawal from the region is unlikely and is even uncharacteristic of the United States, as it has seldom withdrawn troops from its overseas military bases since World War II.⁵⁴

Chinese strategists warn that U.S. strategy includes boxing China in through an increased U.S. military presence in Central Asia (with long-term military bases in Kyrgyzstan, Uzbekistan, Tajikistan, and Afghanistan), by staying militarily engaged in Pakistan while forming a long-term strategic partnership with India in South Asia, and in Southeast Asia, in places such as Indonesia, Malaysia, and the Philippines, where it has returned with its special forces, and increased presence at Singapore's Changi Naval Station, or perhaps at Vietnam's Cam Ranh Bay, thereby strengthening its strategic role from Central Asia to Southeast Asia. Following the release of democracy leader Aung San Suu Kyi, Burma—another linchpin in Beijing's

regional strategic designs—could move away from China’s orbit as well, as have some Southeast Asian countries which have long been courted by China. Above all, “Beijing views a potential U.S.-Indian military alignment with horror. Paired with the U.S.-Japan alliance, it would bracket China and bring into concert with Washington Asia’s other two major powers.”⁵⁵ If China was on a roll prior to 9/11, in a complete reversal of roles post-9/11, it is now the United States that is on a spectacular roll. The U.S. strategic objective, according to Zhai Kun, is to “maintain its dominant position and balance among big powers in the region, and prevent China’s influence from rising in the region.” With the United States taking a greater interest in Southeast Asia, whose security concerns were neglected by the Clinton administration, it makes it harder for China to turn the South China Sea into a Chinese lake. The arrival of American military advisers in the Philippines, with which China has disputed territorial claims in the South China Sea, drew mutterings of disapproval from Beijing.

Almost all U.S. official documents and academic reports believe that geopolitical and military conflicts will inevitably take place between China and the United States in Southeast Asia in the future. . . . Therefore, while strengthening its military alliance with the Philippines, the United States is restoring formerly suspended military exchanges with Indonesia and has listed Indonesia as a potential partner in Southeast Asia. . . . It is also going to enhance its naval supremacy in Southeast Asia by making full use of military facilities in Singapore, Malaysia and Thailand through military agreements with these countries.⁵⁶

The Chinese had obviously noted that the Pentagon’s Quadrennial Defense Review (QDR), released on September 30, 2001, had identified Northeast Asia and the East Asian littoral as “critical areas” for U.S. interests, which must not be allowed to fall under “hostile domination.” The QDR characterized Asia as “emerging as a region susceptible to large-scale military competition” with a “volatile mix of rising and declining regional powers.” Coyly avoiding naming the obvious challenger, China, the

Pentagon warned of the possibility that “a military competitor with a formidable resource base will emerge in the region,” adding that the lower “density of U.S. basing” in this “critical region places a premium on securing additional access and infrastructure agreements.”⁵⁷

In short, long-standing fears of strategic encirclement are becoming a reality right before Beijing’s eyes, and it is feeling utterly powerless to do anything about it. The Chinese believe that Russia, India, and Japan have all been big winners in this, and that the United States is probably going to have a better relationship with all of them, leaving China out in the cold. The fast-changing strategic scene not only undercuts Chinese ambitions to dominate Asia, but also hems in the one country in the world with the most demonstrable capacity to act independently of the United States. Not surprisingly, the start of 2002 saw Chinese leaders and generals shedding their earlier inhibitions about publicly expressing concern over the growing “Southern Discomfort”: that is, ever-expanding U.S. military power and presence in southern Asia post-9/11. China’s Chief of the General Staff Fu Quanyou publicly warned the United States against using the War on Terrorism to dominate global affairs by saying “counter-terrorism should not be used to practice hegemony.”⁵⁸

Fourth, Beijing was shocked at President Bush’s “Axis of Evil” speech and the Nuclear Posture Review which made China part of a “Gang of Seven” for possible nuclear strikes. China reacted angrily to Bush’s characterization of North Korea, Iran, and Iraq as an “Axis of Evil” in his State of the Union address in January 2002. If these “terrorist states” have anything in common, it is their “China connection.” They all shop at Beijing’s “WMD Friendship Store” and have significant strategic and commercial ties with China.⁵⁹ Strongly disapproving the phrase “Axis of Evil” in international relations, Chinese Foreign Ministry spokesman Kong Quan reiterated that “China always holds that anti-terrorism campaigns should

be based on irrefutable evidence, and anti-terrorism attacks should not be expanded arbitrarily.”⁶⁰ Perceptions that the anti-terrorism campaign is nothing but an excuse for imposing U.S. hegemonism worldwide were exacerbated by a classified Department of Defense document, “Nuclear Posture Review,” leaked to the press in March 2002. It revealed U.S. plans for the resumption of nuclear weapons testing, contingency planning for nuclear strikes against seven countries, including China (others were Russia, North Korea, Iraq, Iran, Syria, and Libya), and consideration of a pre-emptive launch of nuclear weapons against non-nuclear states to counter the use of chemical or biological weapons against the United States. In addition, the Bush administration was reportedly preparing to develop a new generation of small, smart nuclear weapons to fulfill a wider variety of purposes, and deepen the integration of nuclear and non-nuclear weaponry in U.S. force planning.

Fifth, China sees greater evidence of U.S. unilateralism as a setback for multilateralism. In the aftermath of the September 11 attacks, Beijing had hoped that Washington’s need for allies in the War on Terrorism would moderate U.S. ambitions for absolute security and reverse the unilateralist trend characteristic of the Bush administration’s muscular foreign policy, or at least cause the Bush administration to abandon some of its more controversial unilateralist positions on global warming, liberalization of international trade and missile defense plans, and its “overbearing and extremely supercilious” attitude toward China and Russia. However, Beijing soon found out that its optimism was completely misplaced. If anything, America’s short and swift military victory in Afghanistan emboldened the U.S. hawks to press ahead with their “bad old unilateralist tendencies.” From its treatment of Afghan prisoners to withdrawal from the ABM Treaty and Bush’s labeling of Iran, Iraq, and North Korea as an “Axis of Evil,” the Chinese saw the United States seemingly bent on doing whatever it wanted, against

whomever it wanted, under the convenient cover of combating terror, with little regard for others. As Shen Dingli noted: "After adjusting its way of handling international affairs a bit, [the U.S.] is returning to unilateralism." Zhang Guoqing observed in the *Southern Weekend*: "Under the banner of counter-terrorism, [the U.S.] can strike at will at those with differing views; it can loiter about and not leave Afghanistan or other strategically important areas; it can undercut the United Nations; it can use opposing terrorism as a bargaining chip in bilateral relations with other countries."⁶¹ With dismay, China's leading English-language weekly opened the new year with a commentary claiming "The September 11 tragedy, however, has not weakened America's superior role in world dynamics; the United States has not given up its demand for world hegemony."⁶² Many Chinese analysts now see the United States as being even more potent, strident, and implacable than ever before, a superpower able to get its way in more places around the globe, including China's backyard.⁶³ In short, China's worst fears of a unilateralist United States have come to pass and Beijing finds itself ill-equipped to deal with it.

Sixth, Beijing's much touted multilateral solution to the security dilemma—the Shanghai Cooperation Organization (SCO)—failed its first test, and has been completely sidelined in the War on Terrorism. The U.S.-led anti-terrorism coalition has been a major setback to China's most serious foreign policy initiative of the last decade—a Beijing-led and dominated regional multilateral security forum, the SCO, which comprises China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. China sought to rely primarily on the SCO as an instrument to project its power and gain allies in Central Asia—a region which is the source of much needed strategic energy resources as well as a launch-pad for China's larger strategic aspirations in Southwest Asia. By carving out diplomatic space of its own in a region where Russia's presence and influence have been waning, Beijing has

sought to secure its western frontier by creating a buffer for restive Xinjiang province, contain the forces of “separatism, terrorism and extremism,” and most importantly, keep China’s nemesis, the United States, out of the region.⁶⁴

However, with the United States issuing a “with us or against us” ultimatum after September 11 and simultaneously dangling the carrot of long-term economic and military assistance in return for logistic support for America’s war effort, each Central Asian state rushed to strike unilateral deals with the United States based on its own self-interest, thereby allowing the United States to establish a strategic foothold in Central Asia with little or no thought for China’s concerns. For Central Asians, it was a golden opportunity to lessen the overbearing influence of their neighboring giants (Russia and China). They view the expanded U.S. military presence in the region as an insurance policy against any future bid by Russia and China to reassert control. However, the lack of strategic policy coordination post-September 11 among the SCO member-states left the multilateral forum seriously weakened, undercut the group’s solidarity, and represented a “major failure for the fledgling group” established to provide a regional response to terrorism in the region.⁶⁵ It also highlighted the tenuous nature of China’s “strategic influence” in Central Asia where local ethnic and religious rivalries and conflicting interests present formidable obstacles to Beijing’s desire to knit the region’s governments into a solid security partnership to further China’s grand strategic objectives.

Nonetheless, Beijing (and Moscow) denied that the SCO had “lost any substance,” and other Central Asian states continued to pay lip service to the stated objectives of the forum. China did try to breathe some life into the SCO. At Beijing’s repeated and urgent insistence, the group held one meeting on October 11 (exactly a month later) in Bishkek, which produced a statement that did not even mention the terrorist attacks against the United States and repeated previous pledges to cooperate against terrorism. Another

attempt to salvage the SCO's reputation was made in early January 2002, again at China's initiative. A "non-regular meeting" of SCO foreign ministers articulated concerns about a growing foreign presence in the region. "Any attempts to impose this or that form of rule and drag [Afghanistan] into anyone's sphere of influence could lead to a new crisis in and around the country," stated a joint declaration of the SCO foreign ministers. It insisted that anti-terrorist efforts "must be devoid of bias and double standards," and stressed the importance of shifting the anti-terrorism battle to the United Nations' hands—insinuating that Washington should no longer dominate the issue, and strongly reflected other concerns of China but offered little that was new regarding substantive cooperation among SCO member-states.⁶⁶

In short, within a matter of weeks, in a complete reversal of roles, Beijing's *bête noire*, the United States, an outsider and an onlooker before September 11, had now virtually emerged as the *de facto* leader of Central Asia and its third powerful neighbor while China, the SCO founder and leader, had been reduced to the status of a spectator to the unfolding geopolitical machinations of Washington. In strategic terms, the infusion of American presence into Central Asia, Pakistan, and Afghanistan has not only seriously upset China's security calculations on which its "expand west" strategy is predicated but also put a question mark over the efficacy of China-sponsored multilateralism in a period of American unilateralism.

Seventh, the greater prominence and growing security profile of China's Asian rivals—India and Japan—in the War on Terrorism has worried Beijing. In the post-September 11 era, the heightened significance of India and Japan has emerged as an unpleasant reality for China, thus unraveling Beijing's Asia strategy of "restraining Japan and containing India" (or keeping Japan down and India out).⁶⁷ China's initial optimism that new Sino-U.S.-Pakistan triangular cooperation will wean Washington away from New Delhi turned out to be wishful

thinking as the Bush administration officials went out of their way to assure India that America's intensifying alliance with Pakistan would not come at India's expense. If anything, the current crisis has strengthened American commitment to building stronger relations, including defense ties with South Asia's superpower.⁶⁸ However, China does not want to see India raising its stature and profile regionally and internationally. Chinese strategists have long argued that China's pursuit of great power status is a historical right and perfectly legitimate, but India's pursuit of great power status is illegitimate, wrong, dangerous, and a sign of hegemonic, imperial behavior. For its part, New Delhi has long accused Beijing of doing everything it can to undermine India's interests and using its ties with other states to contain India.⁶⁹ New strategic and political realities emerging in Asia, however, put a question mark over Beijing's long-held certainties, assumptions, and beliefs. Checkmated in East Asia by three great powers—the United States, Japan, and Russia—the major thrust of Chinese diplomacy during the last decade was at carving out a larger sphere of influence in Central and Southern Asia. Soon after the Taliban's overthrow in Kabul, Beijing and Islamabad watched with trepidation as the new foreign, defense, and home ministers of the interim Afghan administration paid visits to New Delhi to express their gratitude for India's long-standing support to anti-Taliban Northern Alliance forces and made critical remarks about Pakistan's expansionist designs from Indian soil. Islamabad retaliated by turning down Kabul's proposal to allow transportation of Indian goods to Afghanistan through the Wagah border post (on the Indo-Pakistan border), but offered to open the Khunjerab Pass (on the Sino-Pakistan border) for Chinese consignments.⁷⁰ India also stood to gain immensely both from the loss of Pakistan's "strategic depth" in Afghanistan with the collapse of the Taliban and General Musharraf's promise to finally crackdown on Islamic fundamentalist organizations fomenting unrest in Indian Kashmir.

Beijing is also alarmed over the growing talk in right-wing policy circles in Washington and New Delhi of India's pivotal role as a counterweight to China on the one hand and the fragile, radical Islamic states of West Asia on the other. New Delhi is hoping that "a formal Indo-U.S. quasi-alliance would mean the final burying of the Kashmir issue—to India's advantage and bring access to the most advanced technology and capital essential to realizing its great power ambitions."⁷¹ Besides, India's strategic community supports the idea of a close and mutually beneficial relationship with the United States as a restraint on China's "destabilizing activities" (such as WMD proliferation, arms sales, and acquisition of naval bases in Burma and Pakistan) in India's neighborhood. Earlier, when Bush had unveiled his missile defense plan, New Delhi responded far more positively than did most U.S. allies. Some Indian strategic thinkers even see in the emerging Indo-U.S. quasi-alliance an opportunity for "payback" to China. As former Indian ambassador to Pakistan and Burma, G. Parthasarthy, put it: "Whether it was the Bangladesh conflict of 1971, or in the Clinton-Jiang Declaration in the aftermath of our nuclear tests, China has never hesitated to use its leverage with the Americans to undermine our security."⁷² Growing Chinese strategic pressure on the Malacca Straits has already led to a strategic alignment between India and the United States with their navies jointly patrolling the Straits. More significantly, Indo-U.S. strategic engagement has scaled new heights with the announcement of a series of measures usually reserved for close U.S. allies and friends: joint military exercises in Alaska that would boost India's high-altitude warfare capabilities in the Himalayan glaciers of northern Kashmir where it faces Pakistan and China; the sale of U.S. military hardware, including radars, aircraft engines, and surveillance equipment to India; joint naval exercises and the training of India's special forces; and intelligence sharing and joint naval patrols between the Straits of Malacca and the Straits of Hormuz.⁷³ Washington also gave the green light for Israel to proceed with the sale of

Phalcon airborne early warning and control system (AWACS) to India—something that was earlier denied to China for fear of enhancing Beijing’s air surveillance and early warning capabilities in the Taiwan Straits. All these measures send an implicit signal to China of India’s growing military prowess. A cover-story in authoritative *Beijing Review* by China’s noted South Asia specialists expressed concern over the sale of U.S. arms to India which “enables it to become the first country to have close military relations with the world’s two big powers—the United States and Russia.”⁷⁴ Beijing is now concerned that New Delhi would use its strategic ties with Washington to bolster its position in its dealings with China. Nearly 70 percent of China’s trade with the European Union is carried by sea through the Strait of Malacca, the Indian Ocean, and the Suez Canal, and the predominance of the Indian Navy along these sea lanes is viewed as a major threat to Chinese security.

To the east, Beijing sees Japanese warships operating not only on China’s maritime frontiers but also in the Indian Ocean—for the first time since 1942—as part of the coalition against terrorism. Beijing believes that “Japan’s unseemly rush to dispatch its troops overseas and to set up a kind of comprehensive military intervention systems for overseas” would ultimately have a negative impact on regional stability” and would “force Japan’s neighboring countries to react.”⁷⁵ Even before September 11, the Koizumi government was working towards the goal of a stronger alliance with the United States and the reassertion of Japanese geopolitical and military influence, as Tokyo’s worst nightmare is when China emerges as superior to Japan in terms of economic and military power. Premier Zhu Rongji has warned that Japan should be “prudent” in expanding its military role. Soon after Koizumi’s Cabinet endorsed three new bills in April 2002 designed to give the Japanese government and the Self-Defense Forces (SDF) more power in the case of external aggression, China voiced its concerns over Japan’s move to expand its military role, urging Tokyo to abide by its commitment not to be a military

power for historical reasons.⁷⁶ Over the long term, as Japan widens its military cooperation with the United States, there could be increased friction between regional rivals Japan and China for power and influence in East Asia. In early May 2002, Prime Minister Koizumi also called for a broadening of Japan's security cooperation with Beijing's other Asian rival, India, which views China as representing a clear and future threat to its security. As one Asia-watcher noted: "The PRC must now look carefully at any Japanese-Indian political ties, to monitor the possible implication of moves which would inhibit the growing PRC moves to project overland toward the Arabian Sea, and by sea through the South China Sea into South-East Asia and the Indian Ocean."⁷⁷

For the foreseeable future, China has no option but to engage in some sweet-talk with the Indians and Japanese as the Asian strategic landscape transforms rapidly to China's disadvantage. An indication of this came in early April 2002 when Beijing played down the provocative remarks of a leading Japanese opposition leader, Ichiro Ozawa, that "should China become too 'conceited', Japan would go nuclear and . . . won't lose [to China] in terms of military strength."⁷⁸ Still, Beijing must now fear that just as Chinese and Pakistani nuclear missiles targeted on India prompted New Delhi to go nuclear and ballistic, Chinese and North Korean missiles aimed at Japan could also tempt Tokyo someday to shed all its nuclear inhibitions. Undoubtedly, strategic shifts post-9/11 show that Beijing has lost considerable ground to its Asian rivals.

Eighth, a question mark hangs over the future of Pakistan and the future of Sino-Pakistan relations. China's strategic asset in Asia, Pakistan, where Beijing has made heavy strategic and economic investments over the decades, is now seen as a liability and as much a part of the problem as it is of the solution. Though Beijing welcomes the new U.S. commitment to prop up Beijing's "all-weather friend" after a decade of abandonment and estrangement, some Chinese strategists worry about the possible

destabilizing consequences of a prolonged U.S. military presence and increased influence on the future of Sino-Pakistan ties as well as on Pakistan's domestic stability.⁷⁹ Already, Beijing is reportedly upset over the setting up of U.S. listening posts in Pakistan's Northern Areas, which border Xinjiang and Tibet, to monitor military activities in the region. The Chinese are also believed to be "highly uncomfortable" with the four U.S. military bases in Pakistan at Jacobabad, Pasni, Dalbandhin, and Shamsi.⁸⁰ The U.S. presence at Pasni in Belochistan is of special concern to Beijing, as it complicates China's construction of a naval port at Gwadar, the inland Makran coastal highway linking it with Karachi, and several oil and gas pipeline projects. Beijing has long been eyeing Gwadar base at the mouth of Strait of Hormuz in the Persian Gulf as a bulwark against the U.S. presence and India's growing naval power.⁸¹ Interestingly, the only thing that arch-rivals India and Pakistan now agree on is that the United States should remain strategically engaged in the South and Central Asian region. "I don't think America can give up its Central Asian presence now," Indian Foreign Minister Jaswant Singh told the *Washington Post's* Jim Hoagland. And General Musharraf concurred: "The U.S. presence in the region must remain as long as it is needed."⁸² The U.S. primary objectives (which enjoy India's support) in Pakistan are three-fold: (1) to de-Talibanize and stabilize the country so that it does not become a failed state or a haven for terrorists; (2) to ensure a stable control of Pakistani nuclear weapons so that they do not fall into the wrong hands; and (3) to facilitate Pakistan's transition to a moderate Islamic state and a functioning democracy.

While a certain degree of tension in Kashmir and Pakistan's ability to pin down Indian military forces on its western frontiers are seen as enhancing China's sense of security, neither an all-out Indo-Pakistan war nor Pakistan's collapse would serve Beijing's grand strategic objectives.⁸³ One Chinese national security analyst was quoted as saying "what worries China more is the possibility

that it could be drawn into a conflict, not between Pakistan and India *per se*, but between Pakistan and the U.S., with the latter using India as a surrogate. This likelihood is becoming even more plausible with the sweeping success of the U.S. operations in Afghanistan.”⁸⁴ As tensions mounted in October-December 2001 between India and Pakistan over terrorist attacks on the Kashmir Assembly and Indian Parliament, PLA troops from the Military Regions of Chengdu and Lanzhou and their respective subdivisions, Xizang (Tibet) and Wulumuqi (Urumqi), along China’s southern borders, were put on alert to test their war preparedness should the conflict in the Indian subcontinent spill over onto Chinese soil.⁸⁵ With the top *al-Qaeda*/Taliban leadership fleeing into Pakistan’s wild west, it was becoming increasingly clear that the war against terrorism is zeroing in on Pakistan as the next battlefield. However, this could bring the United States and Pakistan on a collision course, with India acting as a U.S. partner. Such a development would obviously present China with difficult choices. Open support for its most allied ally would jeopardize China’s relations with the United States and India. But nonintervention on Pakistan’s behalf, however, could encourage India to solve “the Pakistan problem” once and for all with or without a nuclear exchange and thereby tilt the regional balance of power decisively in its favor. An unrestrained Indian power would be seen as threatening China’s security along its soft underbelly—Tibet and Xinjiang. Should Pakistan disintegrate or be taken over by Islamic extremists, instability would rock the region and increase tensions among Pakistan, India, and China. Another dreadful scenario is one wherein Chinese-made Pakistani nuclear weapons fall into the hands of the United States, Israel, or even India in the event of a civil war.⁸⁶ Should Sino-U.S. relations deteriorate, the U.S. military presence in Pakistan could further sharpen the divide within the Pakistani military between pro-West and pro-Beijing factions, with China supporting the latter to regain lost ground after September 11.⁸⁷ For the time being, though,

the only consolation for Beijing is that a stronger Pakistan aided by the United States, Western Europe, Japan, and international financial institutions, would be better able to contain rival India.

Ninth, a question mark hangs over the future of the Russia-China “strategic partnership.” Since the end of the Cold War, China has been strengthening ties with Russia so as to counter U.S. global hegemony. These diplomatic efforts finally culminated in the Jiang-Putin Summit of July 2001, when Beijing and Moscow signed a treaty of friendship and cooperation, which brought back memories of the (short-lived) Sino-Soviet alliance of the 1950s against the United States. However, come September 11, barely two months later, Jiang found his Russian partner defecting to the “enemy camp.” Putin seized the opportunity presented by the War on Terrorism to forge a cooperative strategic partnership with the United States. Moscow’s response and actions were also qualitatively different from Beijing’s as they went beyond rhetoric and atmospherics. Putin agreed to share intelligence, opened Russian airspace to U.S. humanitarian and support flights, gave the green light to the stationing of U.S. troops and equipment in the Central Asian republics, provided arms and ammunition to anti-Taliban forces, and was unambiguous in saying that the war against the Taliban/*al-Qaeda* must be won, and decisively so. Russia also opposed Pakistan’s entry into the SCO since Islamabad backed the Taliban, which exported terrorism into Chechnya and Central Asia.

Beijing was particularly irked by Moscow’s mild reaction to the U.S. decision to pull out of the ABM Treaty at the end of 2001. A sense of gloom and abandonment “permeated the writings of Chinese commentators after Putin described it as a mere ‘mistake’ and went as far as to cast the U.S. move as a ‘difference between friends’ that should not crush ‘the spirit of partnership and even alliance’” between Russia and the United States.⁸⁸ In return, Russia had obtained membership in the North Atlantic Treaty Organization

(NATO) and billions of dollars in economic assistance from the West. Apparently, the gravitational pull of economic (trade, capital, financial markets), historical (culture and geopolitics), and political (shared values of democracy, human rights and rule of law) forces is drawing Russia westward. With Russia signing an agreement in May 2002 that incorporated Moscow into NATO, the state of Washington-Moscow relationship has come full circle: from cold war to condominium, leaving China out in the cold.⁸⁹ There is no doubt that Putin's Russia prefers to be a U.S. junior partner rather than China's junior partner in Asia. Moscow was indirectly signaling that it was not willing to concede hegemony to a rising China over the vast space between the Caspian Sea and Xinjiang. Clearly, the Afghan campaign marked the first stage of a new, and quite possibly historic, rapprochement between Russia and the West. In an interview with the Russian daily, *Izvestiya*, on July 10, 2002, Foreign Minister Igor Ivanov surprised observers by saying that "[t]he threat to Russia lies in the Caucasus and on the Asian border."⁹⁰

Chinese strategists are already blaming Putin not only for "losing Central Asia" but also for succumbing to a new American imperialism. Arguing that "the cooperation in the anti-terrorism campaign has not changed the long-term strategic conflict between Russia and the United States," they warn (apparently to sow discord between Moscow and Washington) that "no matter how Russia thinks, the United States has never taken Russia's military actions in Chechnya to equal its anti-terrorism operations in Afghanistan."⁹¹ Beijing also expects an eventual clash between Moscow and Washington over the control of Central Asian oil and gas reserves. In an apparent attempt to assuage China's concerns about a growing rapprochement between Russia and the West, Putin told Jiang that "as Russia boosts ties with NATO, it will also maintain close links to China in an effort to strengthen global stability."⁹² The message from Moscow is thus crystal clear: Putin wants to make Russia the pivotal country in the

Eurasian balance-of-power game. But this is no comfort to the Chinese, who want Beijing, not Moscow, to be the pivotal player in Eurasia.

Tenth, growing U.S. and Russian influence in Central Asia is seen as detrimental to China's interests (especially, control over energy resources) in the Great Game II. Unlike in the past when the objective of the Great Game was territorial control and imperial expansion, major power rivalries now focus on who gets access to the region's vast oil and gas reserves in Central Asia. With growing instability in the Middle East, the race to exploit the energy resources of Central Asia has intensified in what is clearly Round Two of "the Great Game." The establishment of some 13 U.S. military bases in Afghanistan and Central Asia, much like the oil-rich Gulf sheikhdoms, is a major strategic gain for Washington. Beijing believes that American recognition of the legitimacy of Russia's great power status in Central Asia is clearly part of the tacit bargain in the new U.S.-Russian realignment (Moscow's acquiescence to NATO expansion is the other part). The Pentagon's recent admission that it "is preparing a military presence in Central Asia that could last for years [and would include] periodic training exercises," and Deputy Defense Secretary Paul Wolfowitz's contention that "the bases' function may be more political than military . . . to send a message to everybody . . . that we have a capacity to come back in and will come back in—we're not just going to forget about [the region]" reinforced Beijing's fears of long-term containment.⁹³ Growing Chinese paranoia about the deepening American footprint on China's western frontier was evident in the summoning of Kazakhstan's Foreign Minister to Beijing in early May 2002 "*to discuss the lawfulness of Kazakhstan providing bases to U.S. forces,*" which Beijing believes "runs counter to state agreements"—i.e. the SCO agreement against terrorism signed by China, Russia, and four Central Asian states in June 2001.⁹⁴ According to the Central Asia director at the China Institute on International Issues, Deng Hou: "By using

anti-terrorism as the excuse to enter Central Asia, the United States has gained the upper hand in the bid to control Central Asia.”⁹⁵

From the Chinese viewpoint, Washington’s actions since September 11 threaten to destabilize the Middle East and Central Asia and, by extension, China’s access to vital energy resources and undermine a protracted effort by Beijing to expand its influence in Central Asia. Chinese leaders are acutely aware of the need to diversify their sources of energy supplies and China’s ability to project force regionally and to the Middle East.⁹⁶ The country’s growing oil and energy requirements and the need to distance himself from the U.S. global strategy prompted President Jiang Zemin to undertake a whirlwind tour of Libya, Nigeria, Tunisia, and Iran in April 2002, where he secured Beijing’s access to these nations’ rich oil resources by pledging investment and presenting China as a powerful ally to the Islamic world.⁹⁷

Overall, the War on Terrorism has negated China’s foreign policy gains of the last decade, undermined its carefully crafted image as Asia’s only true great power, and energized the United States into playing a more assertive role internationally. While there is a broad consensus on crushing “the common scourge” of terrorism once and for all, serious differences exist between the United States and China (and others) on the ways and means of waging the War on Terrorism that could defeat the very objective of the war. Of all the major powers, China is the biggest loser because, unlike Russia, Japan, and India, it seems to be locked into a peer competitor relationship with the United States. Within a short period of six months, China’s world has been turned upside down. The War on Terrorism has unleashed a number of potentially threatening developments that could checkmate China’s strategic expansion moves and call into question predictions about China’s inevitable rise as the next superpower.

A major reason one cannot confidently predict the future of international politics is that it is full of shocks and discontinuities or nonlinearity. In linear forecasts, the past is prologue, and forecasting is an exercise in linear extrapolation of past trends into the future. Thus, a straight-line, linear extrapolation of past experience into the future is the most common form of forecasting where continuity is the rule rather than the exception. However, forecasts often fail because no technique has been developed that allows one to predict, prior to the event itself, when a nonlinearity (such as the September 11 terrorist attacks or the collapse of the Soviet Union) will occur; that is, when discontinuity will occur.⁹⁸ Nonlinearity signals a complete break from the past trend, a discontinuity. Japan and Indonesia are the prime examples of why predictions of the Asian security environment based on straight-line projections do not work. In the late 1980s, a number of studies based on linearity were published on “Japan as Number One” and “the Coming Conflict with Japan” before Japan went into prolonged economic recession. Likewise, before the Asian economic crisis hit the country in 1997, Indonesia was projected to have a GNP greater than Australia’s by 2010. That looks like fairyland now because discontinuity or nonlinearity is the norm rather than the exception in life as well as in politics. Just look at the shocks and discontinuities of the last 10 years: the collapse of the Soviet Union, the Gulf War, China’s rise and Japan’s decline, and now the War on Terrorism. That is why predictions about “China as the Next Superpower” also need to factor in the impact of shocks and discontinuities, both domestic and external.

Whither Chinese National Security Policy Post-September 11: Beijing’s Policy Options.

Post-9/11, China is confronted with many external strategic challenges at a time (post-Jiang Zemin) when the country is likely to have the weakest political leadership (with a relatively weak support base) in the 50-year history

of the PRC. Hu Jintao and his team would feel increasingly constrained by domestic and international institutions, public opinion, powerful provincial leaders, and various interest groups amidst growing social and political unrest. Popular distrust of the United States and resentment of its global power, fed by rising nationalism, run deep in Chinese society and could prove additional problems for the new leadership. The Chinese public views the United States as increasingly posing obstacles to China's emergence as a great power and to the reunification of China and Taiwan. Already, a direct consequence of the post-9/11 strategic shocks and reverses has been the widening of the schism within China's national leadership and security policymaking elite.⁹⁹ The hardliners (a majority) focus on the necessity of building a strong military in the light of an uncertain security environment with regard to the United States, Japan, India, Taiwan, and the South China Sea. Believing in the "inevitability" of an ultimate showdown with Washington, many PLA strategists and analysts believe that Beijing needs to demonstrate its strength, rather than look or act meek, in the wake of the U.S. hegemonism, expansionism, and unilateralism.¹⁰⁰ They want their leaders to confront and checkmate the United States over issues such as missile defense, Taiwan, and any expansion of the war on terrorism against China's friends and allies before it is too late. On the other hand, moderates (still an influential minority) prefer an accommodation with the United States, believing that access to the American market as well as to American capital and technology are vitally important to China's becoming a modern and powerful country. They call for making tactical adjustments and a mix of astute diplomacy and greater flexibility, even if it means putting up with American provocations from time to time. Although Chinese pride would demand otherwise, Beijing cannot afford to get into a serious confrontation with Washington for at least a decade or two. Classic Chinese statecraft dictates that all diplomacy is the continuation of war by other means. Ultimately, China's remarkable economic growth will certainly change the distribution of

wealth in the world and consequently tilt the military balance of power in favor of Beijing.¹⁰¹ In other words, geo-economics will eventually take care of any adverse geo-political shifts.

Even though pieces on the strategic chessboard have been rearranged by Washington since September 11, Beijing remains steadfastly committed to the goal of asserting the country's place as a great and predominant power in the world. Chinese national security policy continues to be based on a careful, hard-nosed, *realpolitik*-based calculation of national interest. While domestic stability and economic growth remain priorities (the only silver lining has been China's strong economic growth in an otherwise gloomy geopolitical setting), Beijing will continue to resist perceived American attempts at hegemony and the containment of China with less than friendly Asian neighbors, or draw Taiwan away from the mainland's embrace. To achieve these key strategic objectives, Beijing is likely to pursue one or more of the following policy options.

Wait and Watch Policy: In the short term, Beijing is likely to adopt a wait and watch policy because the war against *al-Qaeda* is not yet over and it might still turn against the United States. Many in the Chinese strategic community believe that the pendulum will ultimately swing back in favor of China which, unlike the United States, is a neighbor of Central Asia by geography rather than by choice. Besides, as in the past, the Central Asians would not want to give up the option of playing "the China card" in their relations with Moscow and Washington. Some in Beijing believe that there is a dangerous calm (perhaps a lull before the storm) at present, but one step in the wrong direction or another major attack on the United States could easily unleash the storm. And these false steps would come from Pakistan as it becomes the next theater for the War on Terrorism, or from the parties in post-war Afghanistan that might or might not dance to the American tune, or from the policy options that Washington adopts over the Middle

East, Iraq, and Kashmir imbroglio. In fact, Pakistan, a country where China still has large influence, is, in the words of former Italian foreign minister Gianni De Michelis, “the fuse of the world.”¹⁰² Should another war between India and Pakistan break out, New Delhi’s hopes of an Indo-U.S. alliance to counter China may never materialize—a welcome development from Beijing’s perspective. A yawning chasm may in fact be emerging between the United States and the Muslim world, and this cleavage is likely to widen as the United States seeks to expand the War on Terrorism in the near future, this time with possible action against Iraq. Since openly confronting the United States is not a viable option at the moment, the pragmatic Chinese would like to soft peddle divisive issues, including Taiwan. Moreover, U.S. military expansion is at best nothing more than a temporary setback for China and at worst, a classic example of imperial overreach that cannot be sustained over a long period of time. In fact, the next U.S. presidential election could well have its slogan: “Bring our boys back home.” Then China can resume its march to great power status. As long as China maintains robust high economic growth rates, such transitory geopolitical alignments can eventually be taken care of with a carrot-and-stick policy.

Countercontainment Strategy: Asia has become the fulcrum of major power rivalries. Beijing sees Tokyo aligning itself with a U.S.-led circle of containment that stretches from India via Southeast Asia and Australia right round to Japan. In response, Beijing could accelerate attempts to break out of U.S. encirclement by forming a “United Front” with like-minded countries that are critical and apprehensive of the United States and its allies—in other words, a countercontainment strategy that raises the costs for Washington and puts pressure on countries to choose sides. Chinese leaders have fanned out in recent months to Asia, Africa, Europe, and the Middle East, canvassing support from other countries for a fairer, “multipolar” world order. On an official visit in April to Iran, Jiang Zemin openly repudiated the U.S. stance against the

Iranian and Iraqi regimes, saying: “Our opinion [on terrorism] is not the same as the United States,” while in Germany, he told the *Welt am Sonntag*: “We all want to fight terrorism. But the states involved in the fight against terror each have their own specific viewpoint.”¹⁰³ In South Asia, China will maintain a close strategic alliance with Pakistan to contain the growing strength of India. Despite significant improvement in U.S.-Pakistan ties post-9/11, in the long run Washington sees its interests in the region better served through fostering a closer strategic partnership with India. As Ehsan Ahrari points out:

India may end up intensifying its own rivalry with China by remaining steadfast in its insistence that Musharraf kowtow to its demands, especially if China calculates that U.S.-India ties are harming its own regional interests. China, though still concerned about the continued activism of Islamist groups in Pakistan and contiguous areas, is not at all willing to see the regional balance of power significantly tilt in favor of India.¹⁰⁴

In Southeast Asia, China’s leaders are working on strong, cooperative economic and political partnerships and have made significant inroads, as demonstrated by the signing of the China-ASEAN Free Trade Agreement in November 2001. Southeast Asia is now China’s fifth-largest trading partner—after Japan, the United States, the European Union, and Hong Kong. Elsewhere, Beijing will constantly be on the lookout for ways to undo the damage inflicted by unfavorable developments along its periphery.

WMD Proliferation: Beijing has long played “the proliferation card” to infuriate Washington and curb U.S. arms sales to Taiwan. China could step up WMD proliferation to its friends in the Islamic world and North Korea to gain strategic leverage (to countervail the United States, India, and Japan) as well as for economic gains (access to critical energy resources and to earn hard currency).

Multilateralism: Beijing could place renewed emphasis on regional and multilateral approaches and

demand a greater role for the United Nations in conflict resolution.

Military Build-up: A short and swift U.S. military victory in Afghanistan—its third victory in about a decade, after the Gulf and Kosovo wars of 1991 and 1999 respectively—has once again stunned Chinese defense planners and strengthened their resolve to accelerate comprehensive military modernization and weapons acquisition programs.

Improvement in Ties with Asian Rivals—India and Japan: The dramatic changes in the security dynamics of Asia may lead to a reassessment of the Chinese policy towards its strategic rivals, India and Japan. This could result in some conciliatory gestures aimed at buying time that seek to promote common economic interests while downplaying strategic differences.¹⁰⁵ However, the possibility of any major strategic breakthrough in Sino-Japanese or Sino-Indian relations remains very low because neither the end of the Cold War nor the War on Terrorism has ended major power competition and rivalry.

In conclusion, the U.S.-led War on Terrorism has presented the Chinese leadership with very difficult, and mostly unpleasant, choices, and they have tried to salvage what they could from a situation that is changing rapidly to China's disadvantage. Beijing is still counting its losses and picking up the pieces from the wreckage of its regional security design amidst shifting Asian alliances brought about by the U.S.-led War on Terrorism. While it is true that some of the strategic developments (such as the Bush administration's plans to establish missile defenses and closer U.S. ties with Japan and India) were under way prior to September 11, the War on Terrorism has undoubtedly accelerated their pace and legitimized the anti-Chinese geopolitical shifts in motion. Until the leadership transition process is complete in Beijing and the new leadership figures out how to deal with the new strategic equations, China will continue to walk a fine line in dealing with the

United States, Russia, Japan, India, and Taiwan, while never losing sight of long-term strategic conflicts that are likely to arise. It is said that each conflict simply prepares the ground for the next one, or every war contains the seeds of another war. Whether the War on Terrorism will lead to another war, a clash of civilizations, a nuclear *jihad*, or great power cooperation, only time will tell. One thing is certain, however: China will in the future be the most important factor in both regional conflicts and security cooperation.

Recommendations.

1. Hold periodic security consultations with China to allay its security concerns and misconceptions regarding the U.S. objectives in the War on Terrorism and increased military presence in Asia.

2. U.S. support for democracy, human rights, and liberal education infrastructure assistance in Central Asian states, Pakistan, and Saudi Arabia would go a long way toward curbing extremism, terrorism, and other fanatic ideologies.

3. Keep a close watch on China's evolving strategic thinking in general and Beijing's military-diplomatic strategies toward Central and Southern Asia in particular. Recognize that despite recent setbacks and reverses, Beijing will not abandon or compromise on its territorial claims to the Spratlys, the Senkaku Islands, and Taiwan, nor its goals for a decisive role in Northeast Asia, a leading role in Southeast Asia, strategic depth and influence in Central Asia, and, last but not least, a military presence in the Indian Ocean.

4. Discourage China from linking its proliferation of WMD technologies with the U.S. arms sales to Taiwan. Otherwise, Washington should link its provision of missile defense technologies to Japan, India, South Korea, and Taiwan with China's WMD proliferation and nuclear force modernization programs. Should Beijing still persist with

its WMD proliferation practices, the issue could be put on the agenda of the Group of Eight, the ASEAN Regional Forum, and APEC.

5. Maintain a robust and effective balance-of-power in the Asia-Pacific so as to prevent the possibility of too much concentration of power in one regional major power (China, for example), which could encourage it to alter the security environment in the region. To this end, the Bush administration's policy of establishing closer strategic ties with India, Japan, and Indonesia should be continued. Likewise, efforts should be made to bolster Taiwan and Vietnam's defensive capabilities.

6. Make greater use of regional and global multilateral institutions in order to develop common strategies to cope with transnational threats such as terrorism and WMD proliferation.

ENDNOTES

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