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# ‘China Is Rising’

*Its bold assertion as the region’s dominant player challenges U.S. Power*

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Washington Post Foreign Service

BEIJING

When the United States turned its attention to Central Asia in September in an effort to build a coalition to fight terrorism, it was following in the recent footsteps of another power that has been pressing to expand its influence in the region.

Last year, China forged a regional pact against terrorism, drug-running and Islamic radicalism. Like the United States, the country now aids military and security services in Kazakhstan, Kyrgyzstan and Uzbekistan. In June, Beijing said it would even consider joint operations against terrorism—a major break with China’s past policies, which rejected even a hint of joint military action.

The moves are part of a bold foreign policy agenda that is transforming China’s relations with its neighbors. From Pacific islands to the Himalayas to the Mongolian steppe, China is seeking greater influence on a wider range of economic, military and political issues than at any time in recent decades.

China’s emergence from decades of inward-looking Communism under Mao Zedong marks an enormous change. China is Asia’s largest country and now wants to act like it. But its transformation into a regional power challenges the dominant position that the United States has held in Asia since the end of World War II.

Washington is caught up in a war against terrorism that has eclipsed everything else. But many experts and officials say that how Washington copes with and responds to China’s rise in the Pacific will be the biggest test of U.S. influence abroad.

When President Bush attended his first meeting with President Jiang Zemin in Shanghai two weeks ago, the two emphasized shared goals and concerns in Central Asia and announced a “new and constructive relationship” based on their common interest in fighting terrorism. But elsewhere on China’s periphery, the two

countries—a dominant power and an emerging one—are engaged in serious competition.

China’s assertiveness reflects a profound shift in its approach to foreign relations, according to government officials and others who study Chinese policy. Communist China’s old concerns were with “war and revolution,” in the words of its first leader, Mao, China’s new concerns are said to be threefold: securing its borders; meeting massive demands for food, oil, wood and other natural resources; and uniting the mainland with Taiwan, a task Mao left unfinished.

So far, China has pursued these goals mostly through quiet diplomacy and modest pressure. But underlying them is a broader mission, rarely enunciated but clearly present for China’s leaders: asserting the country’s place as a great nation and the dominant power in the region, above the United States, Japan or Russia.

“Unlike the former Soviet Union, China does historic transformation quietly, without a fuss,” says Askar Aitmatov, foreign affairs adviser to Askar Akayev, the president of Kyrgyzstan. The inroads in Central Asia “marked a very important shift in China’s foreign policy,” he says. “China is now an active participant in security and cooperative agreements outside its own borders. That is a serious change.”

CHINA SHARES FRONTIERS WITH 14 NEIGHBORS. Around its periphery, it has taken steps over the past few years to increase its security and lay claim to territory and interests as never before.

In the last year, China signed a treaty of friendship with Russia. In September it pledged to assist the two Koreas with negotiations. Chinese firms have joined the global competition for oil. And Chinese rockets and satellites now vie for a place in the space race.

Western intelligence agencies say that China is establishing an eavesdropping station on Burma’s Coco Islands, 30 nautical miles from India’s Andaman islands, to

# China's Widening Reach

*China, once preoccupied with war and revolution, is boldly seeking to widen its influence over the countries on its periphery, while becoming a serious regional competitor with the United States on political, military and economic issues.*

## CENTRAL ASIA

China, whose economy is growing rapidly, has become an oil importer and is now an important player in the competition for Central Asia's oil resources. Last year, China joined with Russia and four Central Asian nations in a group to fight Islamic radicalism, terrorism and drug-running.

## RUSSIA

China and Russia signed a friendship treaty this year. The vacuum created after the demise of the Soviet Union is partially being filled by China, particularly in Mongolia.

## TAIWAN

Foremost on China's agenda is the reincorporation of Taiwan. Recently, Beijing has eased up on military pressure toward the island and is using political and economic means to woo Taipei.

## PAKISTAN

In the early 1970s, Pakistan helped facilitate the rapprochement between Washington and Beijing. Since then, Beijing-Islamabad ties have further improved, and the two countries are now close military partners. Beijing is believed to have helped Pakistan develop a nuclear device that it detonated in 1998, shortly after India conducted a similar test.

## INDIA

Over the past three years, China has been courting India, with which it fought a border war in 1962. But relations between Beijing and New Delhi remain clouded because India continues to shelter exile Tibetans, including the Dalai Lama.



BY RICHARD FURINO AND DITA SMITH—THE WASHINGTON POST

monitor Indian missile tests off the Orissa coast. It is the first time since the Ming dynasty that China has pursued security interests so far from home.

Chinese vessels have sailed into waters claimed by Japan, at a rate of about 20 incursions a year. The Japanese Defense Ministry says they are mapping the seafloor for Beijing's growing fleet of submarines.

China has also made extravagant claims on the seas to its south. In 1992, the National People's Congress issued the Law on the Territorial Waters and Their Contiguous Areas, which claimed 80 percent of the South China Sea in a horseshoe-shaped arc along the length of Vietnam's coastline, swinging southwest to waters off Malaysia, Brunei and the Philippines.

The law included regulations for transit through the area and called for "immediate eviction of foreign military vessels or vessels owned by foreign governments and used for noncommercial purposes that violate the laws and regulations" of China.

Although no other nation recognized the law, the stakes of such a claim are enormous: 70 percent of Japan's crude oil moves through that sea, which contains large fishing resources and possibly gas and oil deposits. The U.S. Navy moves through the area as well, and this past

summer two aircraft carrier battle groups conducted exercises there.

In 1995, China seized Mischief Reef, an atoll claimed by the Philippines. Now, according to a senior Philippine government official, China has established installations on four other disputed reefs; Chinese naval and fishing traffic, after a hiatus of several years, is picking up in the area.

In its competition with India, China has embraced Pakistan, becoming that nation's closest military partner. U.S. officials say Chinese scientists gave Pakistan a blueprint for a nuclear weapon. Pakistan detonated a nuclear device in 1998, soon after India publicly announced its own nuclear tests. As recently as late last year, U.S. government officials say, Chinese firms were continuing to supply Pakistan with technology for its strategic rocket forces.

Finally, China's recent military acquisitions—cruise missile technology, advanced Russian-built destroyers, anti-ship missiles, jet fighters, ground attack aircraft, in-flight refueling technology, radar systems, attack submarines and anti-aircraft systems—all point to a military buildup designed to increase China's regional sway.

Taiwan remains at the center of that calculation, and the key to Beijing's vision of its ascendancy in Asia. Specifically, Western military experts say, China seeks to threaten Taiwan and to make U.S. soldiers, sailors and airmen think twice about operating too close to China's coast.

Chinese officials justify their desire to unify with Taiwan on historical, racial and cultural grounds. The island was part of China's empire until 1895.

But strategic reasons also apply. Geography explains why.

FROM SOUTH KOREA TO JAPAN AND THE PHILIPPINE archipelago, China is surrounded by pro-American nations in which U.S. troops operate with ease. Taiwan "is the cork in China's bottle," says James R. Lilley, a former U.S. ambassador to China. Uniting with Taiwan, Lilley notes, would "end what China feels to be a blockade on its abilities to control its surrounding seas."

But over the past two years, Beijing's approach to the island of 23 million people has become more varied. After threatening war with Taiwan on the eve of the election of Chen Shui-bian, the first opposition candidate to become the Taiwanese president, China is now cultivating the opposition Nationalist Party as a way to pressure Chen, and it is using its economy, not its military, as a magnet to keep Taipei within its embrace.

That policy is having results. Taiwanese capital and Taiwanese immigrants are fueling "Shanghai Fever," transforming China's preeminent city into an Asian business center.

"China is rising," says Richie Kuo, 36, a Taiwanese businessman whose company plowed \$30 million into a computer parts company just west of Shanghai. "And really, it's only natural."

China's move into Central Asia reflects the depth—and speed—of the changes taking place along its borders.

In 1997, shortly after the death of Chinese leader Deng Xiaoping, the government of Kyrgyzstan, a Central Asian nation of 5 million people, renamed a swath of its main boulevard, Lenin Prospekt, to Deng Xiaoping Prospekt.

The decision by the newly independent nation, once controlled by Moscow, was rich in symbolism. After more than a century of China being excluded from Central Asia by a strong Soviet Union and its own weakness and closed door foreign policy, the return of China's investment and interests have evoked images of its imperial past.

Beijing's policy, and its current support for the U.S. war against terrorism, turn on the notion that terrorism's defeat in Central Asia will help China solve one of the oldest problems faced by its empire: how to pacify Xinjiang and Tibet. Together, these two regions occupy about 30 percent of China's land mass and contain mineral deposits, oil and gas.

IN CENTRAL ASIA, CHINA AND ITS NEWFOUND friends speak of reviving the Silk Road that linked China to Europe centuries ago. China has backed the idea of building a railroad through Kyrgyzstan that would connect China with a European spur. It has committed to pouring billions of dollars into Kazakh oil fields and floated the idea of an oil and gas pipeline from Kazakhstan to the Pacific Ocean.

"China tells us that its great poet Li Bai was born in a Tang Dynasty Chinese garrison in Kyrgyzstan hundreds of years ago," Kyrgyzstan's president, Akayev, quipped in a recent interview. "So they think it is only natural that they have an interest in developments here. And today our relations are the best they have been in 2,000 years."

China has melded its commercial interests with strategic planning. When it was established in 1996, the Shanghai Five—China, Russia and three Central Asian states—was basically committed to demarcating the border between the former Soviet Union and China. Now, with China's help, a successor group of six nations, called the Shanghai Cooperation Organization, is geared toward fighting terrorism and Islamic extremism. A counterterrorism center is being planned for Kyrgyzstan's capital, Bishkek.

China has persuaded the governments of several Central Asian states to begin extraditing suspected Chinese Uighur separatists who use Central Asia as a base for operations against China.

About 8 million Uighurs, a Turkic minority who practice Islam, live in the Xinjiang region, in northwestern China. Some want to create a separate state free from Beijing's rule. For the past decade, they have engaged in a low-scale war against China, bombing buses, assassinating police officials and killing suspected Uighur collaborators.

"This alliance [of China and Central Asia nations] is ruining us," says Azat Akimbek, a prominent Uighur exile in Almaty, the financial center of Kazakhstan. A few years ago he ceased his involvement in the independence struggle; now he fights for environmental concerns.

Other factors have also brought China here. Ten years ago, China had only three oil suppliers—Iran, Oman and Indonesia. Now it has nearly a dozen. Diversifying its oil sources and ensuring delivery is another reason China is striving for regional reach.

"We want to be a global player," a Chinese oilman said bluntly on a flight from Almaty to Beijing, "We're not as good as the West, but we're learning."

In July 1997, China emerged as a force in the Central Asian oil rush when Kazakhstan announced a deal with China National Petroleum Corp. China committed to investing \$4 billion in one of the largest Kazakh oil companies, Aktobemunaigaz, in return for a 60 percent share in the company. A month later, the Kazakh government announced that CNPC had outbid U.S. and European firms to gain exclusive rights to negotiate a contract to develop the second-largest oil field in the country. That contract

involved building a 1,900-mile pipeline to China's Xinjiang region.

Both deals were preceded by repeated phone calls to Kazakhstan's president from Li Peng, then the Chinese premier, who more than matched extensive lobbying efforts led by Vice President Al Gore on behalf of U.S. bidders. While China has activated only the first deal, the deals have cemented China's investment diplomacy in Central Asia while furthering diversification efforts.

As in the Pacific, Chinese ambitions in Central Asia are also partly a response to U.S. policy. For years, American moves there have provoked worry in Beijing. When the 82nd Airborne Division flew to Kazakhstan for exercises in 1997, Chinese security experts said it was a wake-up call.

"In order to realize its goal of a unipolar world, the United States continues to penetrate the countries in Central Asia formerly controlled by the Soviet Union," the Chinese scholar Ma Min wrote in a recent issue of the Chinese publication *World Affairs*. A main goal of America's security policy, Ma said, was to "limit the growth of China's influence and ensure that China's growing power did not upset the present power balance in the region."

MA WARNS SPECIFICALLY ABOUT WHAT HE TERMS a U.S. gambit to influence Mongolia, China's vast and sparsely populated neighbor to the north. But even there, in a land known for its historical enmity toward China, Beijing's influence these days is supreme.

"They have all the money," says Batman, a Mongolian goat herder who has only one name and sells all of his cashmere to Chinese traders each year. "We want to sell to Mongolians, even Americans, but the Chinese have the cash."

"Mongolia has all but become a Chinese satellite," says Morris Rossabi, a professor of Chinese and Central Asian history at Columbia University in New York.

Some analysts see China's expanding influence as an echo of the imperial role it played in Asia over thousands of years. At the same time, however, many Chinese think-

ers are troubled by what they see as a lack of values or overall purpose in modern China's foreign policy.

"We still don't stand for anything," says one senior government adviser. "We are not a democracy, we're not Communist. We're just big."

For now, bigness counts. Take a walk through any bazaar in Kyrgyzstan or its northern neighbor, Kazakhstan. Chinese refrigerators, rice cookers, washing machines and TV sets rule.

"A few years ago it was all Eastern European, or European, or Russian," says Dong Junzi, a businessman from northeastern China who runs a canned-goods factory in a small Kyrgyz city. "Now Chinese products have taken over."

While American and Japanese officials express concern about China's military buildup near Southeast Asia, it is China's economic juggernaut that grates elsewhere. China is manufacturing a sophisticated variety of goods at costs significantly below those in South Korea, Taiwan or Southeast Asia. China's low-paid workers have contributed to a worldwide collapse in clothing prices; prices for electric appliances are next. Soon they will cut into computer prices.

Many predict the trend will accelerate when China enters the World Trade Organization in November. A few years ago, businesses in Asia invested about 70 percent of their funds in Southeast Asia and 30 percent in China. Now, it is estimated to be the other way around.

Taiwan is already confronting this harsh reality. Over the past two decades, Taiwan turned itself into the world's No. 3 producer of computer hardware. Last year, China surpassed it with \$25.5 billion in output.

Andy Xie, a Hong Kong-based economist at the Morgan Stanley financial services firm, draws a parallel between today's China and the United States in the early 20th century, which fueled its industrial revolution and economic rise with cheap immigrant labor. "That economic transition helped remake the global order," he says. "Does anyone think it's going to be different with China?"