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China's New Prominence in Asia
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China's rise in regional prominence in geostrategic, political, commercial, and indeed, cultural terms has been felt throughout Asia and has been one of the most significant developments of the early 21st century, rivaling in many respects the change of international circumstances associated with the new realities brought about by the global war on terrorism. China has always been a latent or prospective power player in Asia but recently its influence has been felt across a broad front. Signs of China's new found influence are evident in the delicate diplomacy on the Korean peninsula, in China's high stakes currency valuation deliberations with key western monetary officials, and on crucial transnational issues such as global environmental concerns and health matters. It was only a few years ago that many in the United States openly worried about the prospect of China playing a larger regional and military role in Asia. Indeed, the Bush campaign was critical of the very notion of a "constructive strategic partnership" between Washington and Beijing and was wary of the rise of Chinese power in the East. Strategic competition was to be the watchword for coming U.S.-China interactions. However, having come to power, the Bush administration has actually *built* a constructive strategic partnership with China, a relationship the likes of which has never existed between our two countries. While there continues to be considerable uncertainty and suspicion among conservative elements in both societies, the United States and China are cooperating more closely than ever before – in the intelligence arena, diplomatically, and in larger global political pursuits -- and the U.S. has even helped provide the context and conditions for China's recent ascent.

Since September 11th, 2001, American foreign policy has been understandably preoccupied with immediate challenges posed by fundamentalist Islam and the security problems in the Middle East. While there was an expectation in the waning years of the 1990's that Asia would be the next major focal point of strategic preoccupation for the United States -- with a still divided and militarized Korean peninsula, tense cross Strait dynamics, and dangerous nuclear rivalry between India and Pakistan -- 9/11 changed all that. Instead, U.S. focus and resources are increasingly directed towards the Middle East and South Asia, and Asia has received only periodic high-level attention, most recently during the increasingly tense diplomacy over North Korea's nuclear status and ambitions. But while 9/11 diverted American attention away from Asia in some respects, it has also created the context for China's new profile as well as for greater cooperation between the two powerful states of the Pacific. China has provided consequential assistance in the intelligence and diplomatic arenas in the ongoing war on terrorism and the very tenor of

the relationship as a consequence has changed markedly and for the better. The period when a U.S. military plane crew was held against its will on a Chinese island amid escalating tensions between Washington and Beijing seems a distant memory. Conservative commentators who were very publicly concerned over China's military buildup across the Taiwan Strait, and of Beijing's larger ambitions in the region, are now curiously silent (even though worrisome military trends continue) and as Secretary of State Colin Powell said the other day, U.S.-China relations are "the best they have been since Nixon". Indeed, it has been a shared bipartisan tendency to exaggerate the health of U.S.-China relations once at the helm of the diplomacy, but if anything, the Bush administration has downplayed the significance and depth of the recent closeness between Beijing and Washington.

China's rise to prominence has other important dimensions as well. Partly because of domestic preoccupations associated with the leadership transfer and partially because of an undeniable learning curve in the handling of delicate international matters, China's manner of diplomacy has evolved considerably in recent years. While in the past, China's diplomats and military representatives were noted both for their lack of candor and publicly staged tantrums, current representatives of the People's Republic are handling a host of challenging problems with a surer touch and a much more effective approach. China's has been far more subtle in its recent international interactions and much more adept in multilateral dialogues, taking pains to seem in tune with regional interests and sensibilities. For instance in the past, it was often China that resisted multilateral efforts at cooperation and institutionalization in regional dialogues such as the ASEAN forum, the cornerstone clustering of the Southeast Asian community. Now, however, it is not uncommon to find China taking a leading role in such gatherings, sometimes offering up ambitious and creative initiatives, to promote regional dialogue and discourse. China appears to recognize the political value of working through regional forums as a confidence-building measure and as part of its "charm offensive" strategy, particularly in Southeast Asia, to help allay concerns about its rising power and influence, even while it is profoundly changing the dynamics of regional economics and politics.

Ironically, in many circumstances it is now the United States that is resisting or demurring from active participation in these multilateral venues, preferring instead to deal with many complex matters through traditional bilateral avenues (except of course on North Korea). Indeed, when it comes to multilateral institutionalization and cooperation in Asia, it is as if the United States and China have changed places. China now appears much more comfortable in many multilateral forums, while the United States sometimes appears to be a powerful, but solitary actor, hesitant to engage in deeper institutional discussions.

While there are complex reasons for this change in course in both the United States and China, China's new found enthusiasm for closer dialogue and ties -- with Southeast Asia in particular -- have won it substantial kudos and more benign regional assessments. In the past, most of Southeast Asia was deeply ambivalent about China's rise, fearing that an increase in Beijing's power would invariably lead to greater belligerence and bullying. However, at least the early experience of China's recent

ascension suggests a greater degree of comfort among most of the key Southeast Asian players, particularly at the level of strategic interaction. China's military representatives and diplomats are much more aggressive in their regional politicking than ever before, and this sustained regional engagement reveals a much more sophisticated approach from Beijing than we have seen in the past.

However, it is on the issue of North Korea that China's newly acquired significance is clearly revealed. The Bush administration has made very clear both publicly and privately that the key to the resolution of the North Korean matter lies in China playing a much more robust and public role in the multilateral diplomacy with Pyongyang. The recent Chinese hosting of the six party dialogues in Beijing, while unsuccessful at least initially in eliciting North Korean concessions, was a manifest demonstration of China's new role as power broker. The United States in the past has been either deeply ambivalent or opposed to China playing such a prominent role, potentially at America's expense, but this time the United States helped engineer and encourage the session to take place. This undoubtedly reflects the Administration's confidence in American power and reach in Asia and while this is undoubtedly true, many nations believe that they are witnessing the arrival of the next great power in Asia before their eyes.

The commercial dimension of China's rise poses more complex trade offs for all of Asia and indeed for the entire industrialized as well as developing world. Its rapidly expanding manufacturing base provides enormous temptations for industries both high tech and low to relocate and there are associated investment opportunities that are virtually unparalleled in the world. There has been a massive increase in foreign direct investment in China and increasingly, global business enterprises based in Europe or the United States will look at China as an Asian outpost before they will consider hubs in either Southeast Asia or Japan and Korea. These trends are reshaping the commercial, manufacturing and investment maps of Asia and with it, the very nature of economic interaction within and across the Pacific. In the last few years, inter-Asian trade and investment -- largely spurred by the growing opportunities in China -- has surpassed commercial interaction across the Pacific with the United States.

While currently the United States is the only true engine of growth in the global economy, there are signs that China has the potential to play a similar pivotal role, at least in Asia. Most commercial groups and governments in Southeast Asia have a deep and profound sense of these trends and regard them with some foreboding. Many key Southeast Asian business groups in the midst of a complex process of striking long-term bargains with Beijing that will have long lasting political and commercial significance. China's economy is a potential Colossus and smart south Asian countries like Singapore, are thinking creatively about the best ways to strike enduring partnerships that are sustainable even with mounting Chinese gains in productivity and wealth.

This is not to say that there are not real worries about China's ambitions and intentions in the region. Although China has handled many recent diplomatic issues, such as the increased Japanese security role in world affairs, with greater grace than in

the past, there are still clear examples of the traditional clumsy approach to crises that we associate with a harder line, communist China. For instance, the cover-up of the spread of the SARS epidemic cost thousands of lives and billions of dollars for China and Asia as a whole, and could have been dealt with much more effectively with greater and earlier Chinese transparency and diplomatic engagement. So too, the continuing military buildup across the Taiwan Strait is an ominous forewarning of trouble ahead unless Cross Strait issues can be dealt with through more peaceful and diplomatic means. While China has largely suspended its very public threats and condemnations of Taiwan, there can be no doubt that Taiwan occupies a unique place of import among China's policy-making elite. There are clear anxieties throughout Asia that either through miscalculation or provocation, the Cross Strait situation could spin out of control, and while most are reluctant to openly criticize China's continuing military buildup here, it is a source of anxiety throughout the region.

China has also been seemingly more patient recently when it comes to the handling of the periodically tense issues surrounding the legal and territorial status surrounding the South China Sea and Spratlys, favoring a kind of code of conduct to facilitate joint use and to prevent military clashes. China has not changed its essential position on sovereignty, but on this matter, as on other issues, Beijing – with a full appreciation of its accumulating power and influence throughout the region -- is taking a longer view with a sense that time is on China's side.

China faces three enormous regional challenges in the years ahead in East Asia alone. One is dealing with the clearly untenable situation on the Korean peninsula. Its erstwhile ally in North Korea is continuing to act in ways that undermine China's own long term interests and Beijing must begin to think hard about political outcomes on the peninsula that involve regime change in North Korea, as difficult and unpalatable as that prospect is. China has taken pains to cultivate a closer relationship with South Korea, to a great effect, and is well positioned to have a prosperous and stable relationship with a successor political arrangement on the Korean peninsula. Yet, North Korea shows no sign of political collapse nor real internal reform and China must now consider more intrusive options to help determine the fate of Pyongyang's current rulers.

China's second greatest challenge is in developing a better relationship with Japan, simultaneously a regional rival, commercial partner, and historical nemesis. While China's rise provides very obvious challenges for the United States, there are probably more urgent anxieties in Japan associated with Beijing's greater regional prominence. Many in Japan fear that China's rise has come at Japan's expense, and there is a real sensitivity to a growing and pervasive regional mindset that is best captured with the term "Japan passing". While Japan and China have recently taken pains to portray their relationship as on the upswing, there are clear and undeniable tensions just beneath the surface.

The third challenge is in relation to the rise of Islamic fundamentalism, both inside China's borders in the western hinterland and in the surrounding region, particularly in Indonesia. China fully appreciates that it too is a target of militant Islam

and that regional stability in Southeast Asia in many senses hinges on how this most delicate issue is handled both by the region's ruling elite and outside actors. China's main strategy at home has been to practice brutal repression against Muslim minorities but there are recent signs of closer Chinese ties with a range of states in Southeast Asia with substantial Muslim populations, including Malaysia and Indonesia.

There is a tendency in Asia to make bad judgments when it comes to power predictions and hegemonic transitions. For instance, it was in 1986 that Soviet Premier Mikhail Gorbachev traveled to Vladivostok to give a speech about a new Soviet strategy for Asia. Many commentators in Asia subsequently surmised that we were heading into a new era of Russian dominance in the Pacific. Laughable as that seems in retrospect, the notion of more dominant soviet position in the Pacific dominated discourse for several years following. Further, in the late 1980's and early 1990's, it was a common refrain to hear that the Cold War was over and Japan had won. It was commonly expected that Japan's remarkable economic rise would continue unabated and the country would acquire greater political and military power, potentially rivaling the United States. There was also the profound belief in the very idea of an American decline and anxiety throughout Asia that the United States was a spent force, humiliated in Vietnam and exhausted by the Cold War. Obviously the United States is back with enormous influence springing from our continuing commercial prosperity, our unparalleled military power, and our ability to harness the forces of globalization.

The same kind of gold rush mentality also influences our calculations on the course of China's rise. It has become the common conventional wisdom that China's rise is inevitable and that 8 % a year growth figures will continue into the future as far as the eye can see. The reality, of course, is China faces enormous domestic pressures and problems, and there are daunting challenges ahead that could well stymie China's modernization and rise to regional prominence. Although it is wise to plan and prepare for China's rise, it is also prudent to consider its potential failings, either politically or economically. Either way, the course of and prospects for China in the world will be one of the most important and multifaceted challenges facing the United States in the 21st century, with enormous stakes for both success and failure. The United States has a deep interest in China's success, but our overriding objective must be to see that China's ascent does not come at our expense, or at the expense of our regional friends and allies.