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### **The China Periphery: The New US Challenge and Beijing's Response**

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In Taiwan, Tibet and Xinjiang, China's leaders have for many years seen themselves as facing threats to the country's national integrity and territorial sovereignty. Except at the most general level, these three problems have not really been linked either in concrete practicalities or in perceptions since the CIA abandoned its covert political agitation inside China some three decades ago. The specific circumstances of Taiwan, Tibet and Xinjiang remain quite different and there has been little reason to see them as connected. But strategic policy makers in Beijing are beginning to see these once distinct problems as having new common threads that make them together a much higher order of security problem than any of the three cases had represented individually.

The single most important thread in this evolving perception is the view that since President George W. Bush came to power in January 2001, the USA has been positioning itself to limit China's potential strategic power and it has been using developments in these three areas to do that. Even to the non-specialist eye, this challenging trend in US policy has been relatively conspicuous in connection with Taiwan, especially in the rejuvenation of the US-Taiwan military relationship to levels unprecedented since 1979 and now little different from the alliance that was abandoned in that year.

But – as this paper contends – it can be seen also in the cases of Tibet and Xinjiang, albeit in more complex or attenuated ways. The insertion into Central Asia in late 2001 of a potentially permanent US military presence can only magnify China's sense of vulnerability and risk that it feels about increased US military support for Taiwan. China's leaders do see the US military presence in Central Asia as positive, in that it contributed to the removal of the Taliban, but they see it on balance as negative in that it will position the US better to influence and challenge China's management of its internal affairs in Xinjiang. This reflects the essentially political nature of the new US challenge on China's periphery. And it is the political

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dimension that is evident in new US positioning on Tibet. There is no US military involvement in Tibetan 'separatism', nor is there likely to be much potential for such involvement. But China's leaders see even US political pressure on Tibet issues as gathering momentum, and as an intensification of US pressure on China as a whole for 'peaceful evolution' of China domestically and for containment of it on the international stage.

The evolution of US-China relations through 2002 has been sufficiently positive to dampen some of the more visible forms of tension in US-China relations. In particular, the US need for China's support in Security Council votes on possible war with Iraq in late 2002 has overshadowed and even contained some of the emerging negative trends in US-China security relations that were so visible in 2001. But this paper contends that the underlying fundamentals remain negative. China's support for the US (and UK) position in the UN Security Council is based on shared values to some degree but it is also part of China's strategy for responding to the new US strategic challenge that is emerging on its periphery.

The history of international relations shows convincingly that strategic pressure by one major power on another's periphery areas is a recipe for instability in international order. Where the power being subjected to pressure is a rising power, with not just a history but a historiography premised on recovery from national humiliation or fragmentation, the risk of strategic instability is even greater. This sort of consideration was prominent in the ideology of aggression advocated by the regimes in Germany and Japan prior to the Second World War. Thus, recent US positioning on each of the three problem areas arguably presents a new single security challenge not just for China but for the international community as a whole. As a recent study from a US ally put it: our 'interest in a stable, cooperative, prosperous future for Asia is threatened by the possibility that America and China might drift into animosity or even war in coming years. The risk of this outcome is not high, but it is real and significant'.<sup>2</sup>

The paper begins with an overview of China's leadership perceptions of their periphery more or less independently of the new US pressure in the three problem areas. There is not conclusive, 'smoking gun' evidence that China's leaders see themselves as losing ground in each of the three separatist cases, but the evidence is quite strong. And if one judges the gravity with which Chinese leaders view these threats by their actions and by their public statements,<sup>3</sup> then the conclusion seems quite reasonable. The main section of the paper addresses the new geopolitics of the China periphery – how US policy toward the three periphery areas has been developing. The paper concludes with a short assessment of the parameters of China's possible policy responses, and then offers some comment on what this means for Europe.

### **China's Sensitive and Vulnerable Periphery**

China's leaders have appeared to outsiders to be 'border sensitive' in ways that have often puzzled outside observers. This puzzlement was exacerbated by the extravagant approach taken by China in the 1950s to the limits of 'historical China' and by the belligerent approach

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<sup>2</sup> Australian Strategic Policy Institute, *Beyond Bali: ASPI's Strategic Assessment 2002*, <http://www.aspi.org.au/beyondbali/2.html>. This institute is an independent institute funded by the Australian government.

<sup>3</sup> It is not uncommon for Chinese leaders to be a little histrionic in the way they describe threats, either to international interlocutors or to domestic audiences. It is a time honoured vehicle for attracting sympathy and mobilising support of other kinds. Thus, reading between the lines to gauge the real sense of threat remains much more of an art than a science.

of China across virtually all of its borders between 1962 and 1969. But apart from the Cultural Revolution period, China has not had a disposition toward borders and sovereignty that has been all that different from that of other states.<sup>4</sup> That is except in one important respect. For China, the final chapter of national territorial unity has yet to be written. The Civil War may be over, but for many in China national unity has not yet been restored. China is the only country in the world, and therefore the only major power, that is facing a serious 'secession' problem from a territorial entity with a large economy, powerful armed forces and global diplomatic representation (albeit unofficial). The decades of diplomacy and international noise that have surrounded Taiwan's international status have to a certain extent numbed outside observers to the true sensitivity of this fundamental consideration of China's nationhood. The resumption of Chinese sovereignty over Hong Kong in 1997 and Macao in 1999 has created a new time pressure on leaders in Beijing to reunify China. However these pressures work out, and a peaceful settlement should not be excluded, the defining aspect of China's international relations is now and will be for coming years exactly as Jiang Zemin has said: the approach taken by other states to the question of China's national unity and dignity – by which he means Taiwan.

International borders can be seen in several ways. On the one hand, a border can be seen in legal technical terms as a boundary which marks out the physical limits between one sovereign state's authority and another's, a boundary which when transgressed, can or must be defended. On the other hand, in terms of national development, a border can be the site of economic opportunity and political interchange. In a third interpretation emphasising domestic internal security, a border can be a potential source of crime, gun smuggling, health threats and subversive elements of all sorts. In a fourth interpretation, a border can be seen as more of a social construct that often relates to a line on a map, but which in international relations, especially in the geopolitical vision thereof, is one location of possible contest between the state's international projection of itself (in identity terms) and other actors seeking actively to resist or repudiate that identity. A fifth interpretation, one which was visible in Chinese agreement to extra-territorial concessions for Western powers in the nineteenth century, is that the border that counts is not a line on a map, but a commitment in the minds of men and women to where the remit of a sovereign (or state) starts and ends in the daily lives of his or her (or its) people. All interpretations have their place in the strategic calculations of Chinese leaders in the first decade of the twenty-first century. But it must be emphasised that the third, fourth and fifth interpretations are particularly prominent in modern Chinese approaches to their borders with the outside world.

However, at a conceptual level, there has been no consistent view within the Chinese leadership about the priority to be given to some aspects relative to others. In recent decades, China's leaders have shown their capacity to accept some derogation of all five visions of state borders where higher state interests or less than adequate state capacities dictated that requirement. The period since 1979 especially has seen a myriad of Chinese government decisions redefining the operational aspects of the country's borders, its national identity in relation to borders, and its legal conception of sovereignty in relation to borders. One need only cite the regimes of special economic zones, 14 port cities, special customs zones, and

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<sup>4</sup> See Francis Watson, *The Frontiers of China*, Chatto and Windus, London, 1966, pp. 19-20 and 212-213, for an acknowledgement that China's border practices of the 1960s might be exceptional and linked very closely to the peculiar domestic political circumstances of the time. Watson noted that in earlier periods, especially the Bandung phase of China's diplomacy (1954-59), that China was quite cooperative in its border policy, in spite of the extravagant claims.

ultimately the concept of 'one country, two systems' for the return of Hong Kong to Chinese sovereignty without full control from Beijing of domestic order within Hong Kong.

What marks out the 1990s as substantially different from the 1970s and 1980s is that China's leaders have begun to be far more conscious and far more defensive of all five interpretations of the country's borders. This mood has been facilitated in some senses by a rise in China's physical capacity to control its borders as defined in a legal, technical sense but it has also been provoked by a growing sense of incapacity to contain and control threats in the other four dimensions of 'border'. That is a basic contention of this paper. It contends that for China's leaders, the boundaries of their power – their international borders in both physical and social senses – are now facing multiple and intensifying threats. In some areas, the threat is one of legal, technical separation (as in Taiwan), while in others (such as Tibet and Xinjiang), the threat is seen only as one of resisting and repudiating the remit of the central state.

But the resistance of Taiwan, in place for the entire history of the Communist government in Beijing, has never been viewed in Beijing as purely legalistic, but rather as fundamental to national identity. It is just that for sixteen years (1979-1995), China was prepared to assign a lower priority to borders as a source of threat relative to a vision of borders as a source of opportunity, or even of economic necessity. As a Chinese scholar, Tianbao Zhu, pointed out in a recent article, Chinese leaders must now choose whether they will continue to accept that prioritisation.<sup>5</sup> They are being pushed in the direction of change both by rising nationalist conceptions of the country's borders and by an unambiguous and radical stepping up of international and domestic repudiation of the leadership's remit. As Jiang Zemin noted in the concluding four paragraphs his report to the 16<sup>th</sup> Communist Party Congress in November 2002: 'it is essential .... to bring about the great rejuvenation of the Chinese nation', a formula which he repeated one paragraph later, before noting in the third paragraph that China had to be 'keenly aware of the rigorous challenges brought about by the ever-sharpening international competition'.<sup>6</sup> He noted earlier in the speech that 'uncertainties affecting peace and development are on the rise' and that 'hegemonism and power politics have new manifestations'. And that the Party had faced a number of 'unexpected challenges bearing on China's sovereignty and security' since 1989.<sup>7</sup> The December 2002 Defence White Paper noted that a 'new serious disequilibrium has occurred in the balance of military power'<sup>8</sup> – a reference to US military pre-eminence. The White Paper listed periphery security as one of the few internationally oriented tasks of the country's security policy ('striving for a favourable environment in China's periphery'). The Paper also reported that Taiwan separatists remain the biggest threat to security in the Taiwan Strait (and hence on China's periphery), and that they were being encouraged by a few countries selling weapons to Taiwan. It reported that 'China resolutely opposes ... any country entering into a military alliance with Taiwan'. Jiang's speech called on China to 'strengthen state security, keeping vigilance against infiltrative, subversive and separatist activities'.

### *Periphery Problems and China's Public Order Crisis*

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<sup>5</sup> Tianbao Zhu, 'Nationalism and Chinese Foreign Policy', *The China Review*, Vol. No. 1, Fall 2001, p. 1.

<sup>6</sup> Embassy of the People's Republic of China in Australia, Full text of Jiang Zemin's Report at 16<sup>th</sup> Party Congress, [www.chinaembassy.org.au/eng/37883.html](http://www.chinaembassy.org.au/eng/37883.html).

<sup>7</sup> This reference is to the date of Jiang's appointment as Secretary General of the CCP in the immediate aftermath of the Tian An Men suppressions in June of that year.

<sup>8</sup> 'China's National Defense in 2002', Full Text of White Paper issued by the PRC State Council Information Office, 9 December 2002. FBIS-CHI-2002-1209: 'Full Text of China's National Defense White Paper'.

One aggravating factor exists quite independently of any policy that a major power like the US might be pursuing on China's periphery. Its leaders see their periphery problems in the light of a pattern of progressive loss of control by the Central Government over public order in the country, a problem that has been getting worse almost without let up since the early 1990s.<sup>9</sup> Another grave common thread that China's leaders see in the three periphery problems is that they bring to centre stage the big questions of political reform that were suppressed and deferred in 1989: political pluralism, democratisation and federalisation of the Chinese political system.<sup>10</sup>

The pessimism that China's leaders feel toward their periphery cannot be fully appreciated without reference to the pessimism they feel about public order in China generally. So even if 'separatism' is confined to periphery areas of China with relatively small populations (in round figures: Xinjiang 18 million, Tibet 3 million, and Taiwan 22 million), the aggravation of these problems provokes particularly neuralgic responses from senior Chinese officials because of the country's public order crisis. As the December 2002 Defence White paper noted: 'maintaining and promoting social stability' is one of the country's primary security goals'. (The People's Armed Police is part of the PLA and is subject to control by the Central Military Commission.) Jiang told the 16th Congress that ensuring stability had to remain 'of overriding importance'.

Through the early 1990s, a growing consensus developed among the leadership that without more political stability, the whole edifice of the state (the CCP) might collapse, leading to their own loss of power, or even worse, their prosecution for crimes and possible execution. At the 1997 session of the NPC, the government introduced a new defence law which highlighted the continuing priority for the PLA in preventing 'domestic armed rebellions or armed riots aimed at subverting state power, and overthrowing the socialist system', to quote the Defence Minister, Chi Haotian.<sup>11</sup> Chi said that such rebellions and riots remained a serious threat in China.<sup>12</sup> Thus, while impressive growth rates and increasing national self-confidence became a defining feature of the Chinese economy in the 1990s, so too did a growing sense of vulnerability and urgency begin to seize Chinese leaders about their capacity to maintain economic and social stability.

The dynamism of China's society is more than matched by the dynamism of some of China's leaders and their policy settings to address the country's problems in recent years. In March 1998, a blueprint for the most radical shake-up of China's government since 1978 was revealed. The essence of the new policies was to make China 'rich, strong, democratic and

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<sup>9</sup> See Greg Austin, 'The Strategic Implications of China's Public Order Crisis', *Survival*, Winter 1995.

<sup>10</sup> See Greg Austin, 'Stable Domestic Foundations', in Yongjin Zhang and Greg Austin (eds), *Power and Responsibility in Chinese Foreign Policy*, Asia Pacific Press, Canberra, 2001.

<sup>11</sup> *Xinhua*, 6 March 1997, carried in FBIS-CHI-97-064, 6 March 1997: 'Draft Law on National Defense Submitted to NPC'.

<sup>12</sup> For an elaboration of this issue, see Austin, 'The Strategic Implications of China's Public Order Crisis'. In terms of Chinese military posture, the new sense of vulnerability provoked by the public order crisis has important effects. More allocations are almost certainly being made to internal security and border defence, which are predominantly army and police responsibilities. Such expenditures will have penalties for investment in high technology weaponry and power projection capability (predominantly navy and air force). The relative share of defence spending going to the ground forces may well have increased in the past two to three years-but it is almost impossible to know.

civilised'.<sup>13</sup> The country's leaders decreed an historic metamorphosis of the purpose of the central government in China from control of the economy to supervision of it. There were four planks to the radical shake-up:

- ◆ strong economic leadership to sweep away the last vestiges of socialism, including universal welfare supports;
- ◆ radical reform of the armed forces and defence industry;
- ◆ strong legal leadership to build durable foundations of a stable free market society;
- ◆ and the expansion of participatory democracy.<sup>14</sup>

Two years later, in March 2000, the government was able to report that the government had considerable success in implementing these reforms and that the country had weathered the changes quite well. He said the country faced more opportunities than challenges. In particular, he claimed early success in turning around the state-owned enterprises in the textile industry one year ahead of schedule.<sup>15</sup> (He did not mention though that this sector is uncharacteristic of most in that it enjoys a high level of foreign investment, has therefore enjoyed high levels of technological renovation, and has high levels of export earnings to hard-currency destinations.) But he did claim significant progress in the old industrial bases of China, especially the Northeast, where low productivity; high unemployment and bankruptcy had become common characteristics of state owned enterprises. Reasonable progress was made in the other areas of policy, according to Zhu, especially in social welfare reforms, such as unemployment compensation. In December 2000, Zhu reported that the state-owned enterprises had 'basically' achieved the goals set for them in the three year period.<sup>16</sup> But there were still serious problems, Zhu said. One of these he noted on the same occasion was that 'the incomes of peasants in some principal food producing areas had declined'. He predicted that if this, and other problems were not addressed immediately, there would be a major negative effect on stability in rural areas.

Without reference to stability in the 'rural areas' of China, it is impossible to fully appreciate the gravity of the situation facing China's leaders as they see it. The 'rural areas' of China represent 900 million of the country's 1.3 billion people. Stability of the rural areas is quite simply the stability of the country as a whole. Zhu Rongji has described a problem of public order at the grass roots level,<sup>17</sup> a problem he characterised on another occasion as urgent.<sup>18</sup> The Chairman of the Standing Committee of China's National People's Congress, Li Peng, admitted in March 2001 that 'not enough has been done to find out about the real state of law enforcement at the grass roots'.<sup>19</sup> In February 2001, the government issued a White Paper on

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<sup>13</sup> The phrase was used in a speech by Tian Jiyun, Executive Vice Chairman of the Standing Committee of the National People's Congress, and Politburo member from 1987 to 1993, who took that position at the height of the reform era. For text, see Beijing Xinhua, 10 March 1998, FBIS-CHI-98-074, 15 March 1998: 'China: Tian Jiyun on NPC Standing Committee Work'.

<sup>14</sup> The future directions of Chinese domestic policy were sketched by the Chairman of the State Council, Zhu Rongji, in a press conference in March 1998 immediately after taking up his appointment. For a translated text of the press conference carried on Beijing Central television, 19 March 1998, see FBIS-CHI-98-078, 20 March 1998: 'China: Zhu Rongji's News Conference'.

<sup>15</sup> Zhu Rongji's Work Report to the NPC, Xinhua, 16 March 2000.

<sup>16</sup> Xinhua, 13 December 2000, FBIS-CHI-2000-1213: 'Zhu Rongji Inspects Jiangsu, Zhejiang 7-13 Dec; Comments on Economic, Other Issues'.

<sup>17</sup> Zhu Rongji's Work Report, March 2000.

<sup>18</sup> Xinhua, 13 December 2000, FBIS-CHI-2000-1213: 'Zhu Rongji Inspects Jiangsu, Zhejiang 7-13 Dec; Comments on Economic, Other Issues'.

<sup>19</sup> Xinhua, 19 March 2001, FBIS-CHI-2001-0319: 'Chairman Li Peng reports on Work of Standing Committees'.

'improving agricultural work' which reasserted the primacy of the rural areas of China in the country's overall national economy and its social stability.<sup>20</sup> It called for lifting unnecessary burdens off the peasants' backs and a better response from officials to otherwise unexplained 'mass incidents'.<sup>21</sup> The same concerns were evident in Jiang's speech to the November 2002 Party Congress, though there was no specific reference to 'mass incidents'.

The prospects for new social unrest in the cities is also something the Chinese leadership is actively contemplating as part of the needed structural adjustments associated with greater internationalisation of the economy. A number of public commentaries have warned of the inevitable impact on the country's economic security (and by implication on its social order) of the structural adjustment that will be necessary after China joins the WTO.<sup>22</sup> The demonstrations in March 2002 in Daqing in northern China by thousands of laid off or retired workers is a good example of the sort of sleeping problems that will raise their head in ways that the central government feels are a threat to continued Communist Party rule.

In the midst of such concerns, to have deal with the rise of a politically robust movement such as Falun Gong, claiming millions of adherents throughout the society, but especially in the Communist Party, the armed forces, and the security services, the anxiety levels of the Chinese leadership with internal security had by 2002 reached a level not seen since the height of the Cultural Revolution or the first years after the 1949 victory. The level of their concern can be judged by many manifestations: the ferocity of the crack-down on Falun Gong, the emphasis on internal security in the current missions of the PLA, increases in pay for the PLA, the creation of new government mechanisms to co-ordinate internal security policy, and repeated leadership statements about the urgency of solving the public order crisis in all fields from gun smuggling to border security.

After the sudden emergence of Falun Gong as a politically active force in 1998, the Communist Party leadership (mostly under Jiang's insistence) cracked down hard on the movement. This crackdown is a sign of the CCP's insecurity in the face of all of the threats to internal order mentioned above. But the severity of the crack-down can also be attributed to a perceived need to root out any form of organised opposition lest it be seen as a spur or example of success to others making a fundamental challenge to CCP authority. These include not just people in Taiwan, Tibet and Xinjiang, but the China Democracy Party, the embryonic free trade union movement, and illegal religious groups (Catholics and Muslims). There appears to be a broad consensus in the leadership on the need for the crackdown. Even Zhu Rongji seemed at one with the new coercive strategies of the state that are being used hand in glove with the new approach of emphasising popular support.<sup>23</sup> He warned of acts of sabotage inside China by hostile forces from outside the country. He said that the problem of strengthening social stability, national unity and border defence was urgent.

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<sup>20</sup> Xinhua, 12 February 2001, FBIS-CHI-2001-0212: 'PRC Issues Opinion on Improving Agricultural, Rural Work'.

<sup>21</sup> Through the 1990s, there have been a number of large-scale violent incidents in China's countryside that have by and large gone unreported in Western sources but which underpin the new found determination of the leaders through the 1990s to lift burdens off the peasants' backs. See Austin, 'The Strategic Implications of China's Public Order Crisis'.

<sup>22</sup> See for example, Xinhua, 11 March 2001, FBIS-CHI-2001-0311: 'CPPCC Members Discuss Impact of Globalization on PRC'.

<sup>23</sup> Zhu Rongji Work Report, March 2000.

By the late 1990s, the re-emergence of the Political and Legal Commission (PLC)<sup>24</sup> was a very strong sign of just how serious the CCP leaders viewed the variety of internal security threats. Other bodies had already been created in the earlier years to deal with the problem, even at the highest level in the Party in the form of the Commission for the Comprehensive Management of Public Order (CCMPO). In February 2001, a new cross-ministry and cross-commission permanent body responsible to the Politbureau was created specifically to supervise an intensification of the crackdown on Falun Gong.<sup>25</sup> The CCMPO and the PLC now hold joint meetings under the direction of Luo Gan.<sup>26</sup> Luo has complained publicly about the low allocations of funds for the operation of subsidiary PLC's throughout the country and called for constant increases.<sup>27</sup> The priority tasks for the PLA were identified in March 2001 by Jiang Zemin with strong reference to the internal security mission as 'safeguarding state security, promoting the unity of the motherland and maintaining social stability'.<sup>28</sup> An increase of pay for PLA members (including the People's Armed Police) of 30 per cent in 2000 (supposedly to keep pace with civil servants pay increases) may be another reflection of concern about internal security.<sup>29</sup>

The above factors which might more or less be regarded as long-term or relatively persistent 'environmental' conditions can be contrasted with what could usefully be called politically contingent factors. China can change these comparatively quickly, though not without cost, if it wants. While communist ideology has all but disappeared in practice in China, important remnants of the totalitarian regime of governance that accompanied the ideology remain in place. But absent a coherent ideology, the political system has no social glue that gives the government legitimacy in the eyes of most of the people. The struggle to find a new ideology and to establish a new social contract with a very distrusting population is a defining feature of Chinese politics today. It is into this contest that Chinese leaders believe the US has stepped with intensifying effect in the last decade and it is in the periphery areas that they feel this contest with the US most acutely.

## **Geopolitics of the China Periphery and the US Political Challenge**

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<sup>24</sup> The Standing Committee of the Politbureau of the Central Committee of the Communist Party is in some respects the most powerful formal organ across the full range of policy, but at different times it has been rivalled by the Party's Central Military Commission (CMC) in respect of security policy, by its Political and Legal Commission (PLC) in respect of internal security and law and order. After the Cultural Revolution, the Political and Legal Commission (PLC) was reinstated in 1980 but was abolished in 1988 and replaced by an informal leadership group directing policy in this field. See Carol Lee Hamrin, 'The Party Leadership System', in Kenneth G. Lieberthal and David M. Lampton, eds, *Bureaucracy, Politics, and Decision Making in Post-Mao China*, University of California Press, Berkeley CA, 1992, p. 119. By 2000, the PLC had re-emerged more formally, probably in response to the country's public order crisis, especially the crack-down on Falun Gong.

<sup>25</sup> *Ming pao*, 12 February 2001, FBIS-CHI-2001-0212: 'Li Lanqing Heads CPC's New Office in Charge of Cracking Down on Falun Gong'.

<sup>26</sup> The head of the Commission, Luo Gan, who supervises all civilian internal security operations is simultaneously a Party Secretary, member of the Politbureau Standing Committee and the State Council, making him one of the most powerful men in the leadership after the Standing Committee. Luo shares responsibility for the People's Armed Police with the Central Military Commission and the General Staff Headquarters

<sup>27</sup> *Xinhua*, 21 December 1998, FBIS-CHI-98-364: 'Luo Gan on Maintaining Social Stability'.

<sup>28</sup> *Wen wei po*, 15 March 2001, p. 1, FBIS-CHI-2001-0315: 'China's Direction of Army Administration through 10<sup>th</sup> Five Year Plan'.

<sup>29</sup> Account of the reasons for increases in China's military spending in 2000 by 17.7 per cent in *Wen wei po*, 12 March 2001, p.3, FBIS-CHI-2001-0312: 'Wen Wei Po Signed Article Explains China's Military Spending Increase'.

Each of China's three periphery problems cases are becoming more bound up with US global strategic power, an expansion of US regional alliances, and a reorientation of US military strategy and force deployments. The Bush has vigorously followed up on the Clinton Administration's commitment to 'democratic expansion'. And Bush's first review of strategic policy in 2001 concluded the most likely potential threat for major war in the future would come from China. As a result, the USA has been undertaking more and more concrete measures in both political and military strategy that directly impinge on China's periphery.

### *Taiwan and the Western Pacific*

Beginning in 1995, China has undertaken a series of military maneuvers designed to intimidate Taiwan and its international supporters into reversing Taiwan's move away from the 'one China' principle. Resort to such a drastic measure tactic was evidence that even then China felt that it was losing ground on Taiwan. In its White Paper on Taiwan issued in 2000, China imposed a new condition that indicated its continuing sense of losing ground. China insisted for the first time that Taiwan could face use of force if it sought to put off reunification indefinitely.<sup>30</sup> In November 2002, President Jiang said bluntly that China was looking for a positive move toward reunification 'at an early date'.<sup>31</sup> As two prominent US scholars observed in 1999, 'Taiwan is perhaps the only external issue where raw emotion and nationalist fervour trumps the realpolitik calculations that normally govern China's external policy'.<sup>32</sup> The reason for this is that the 'Beijing leadership believes it could not remain in power if it buckled on an issue central to Chinese nationalism'. By late 2002, Taiwan was not backing down and it had more international support than ever, especially from the U.S. In response, China was determined to show its resolve and it had not backed down either. In mid-October 2002, it signaled a possible expansion of its military pressure on Taiwan by dispatching one of its warships on an unprecedented cruise parallel to the east coast of Taiwan.

The US and its allies in the western Pacific, especially Japan and Australia, are now positioning themselves, in political and strategic terms, for a new confrontation between the US and China over Taiwan. The US and its allies reacted strongly to China's military intimidation of Taiwan in 1995 and 1996. The US deployed two aircraft carriers, Japan hurriedly completed a number of measures with the US to extend US military access to its territory, and Australia's Defence Minister declared his country's readiness to join combat alongside the US if hostilities broke out. While the US and allied reactions were appropriate, there is little doubt that this military response by the US and its allies was seen by Beijing as an unacceptable intervention in its 'domestic' Taiwan problem and only encouraged China in subsequent years to intensify its military readiness opposite Taiwan.

The seven years since 1995 have seen a gradual escalation in military preparation by China and the US for the contingency of military hostilities of some sort associated with Taiwan. For example, China has deployed some 300 medium range missiles to its coastal areas opposite Taiwan, and reliable sources estimate that the number will rise to 800 by 2006. In the same period, China has conducted large-scale military exercises in the Taiwan Strait. For its part, the US has been consistently enhancing its military capabilities in the Western Pacific.

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<sup>30</sup> Taiwan Affairs Office, 'The One-China Principle and the Taiwan Issue', 21 February 2000.

<sup>31</sup> Report at 16<sup>th</sup> Party Congress.

<sup>32</sup> David M. Lampton and Gregory C. May, 'Managing US-China Relations in the Twenty-First Century', The Nixon Center, Washington DC, September 1999, pp. 44-45.

While this has not so far seen dramatic increases in US military forces permanently deployed to the region, the US has steadily improved its infrastructure and operational readiness:

- ❑ reactivation of military facilities on Guam to provide forward-basing options for China-related contingencies
- ❑ carrier battle group exercises in the South China Sea (on one occasion at least involving two carriers)
- ❑ US carrier transits of the Taiwan Strait
- ❑ extension in the second half of the 1990s of US-Japan mutual support arrangements for Korea-related and China-related contingencies<sup>33</sup>
- ❑ rejuvenation of the military alliance with the Philippines during the Clinton Administration<sup>34</sup>
- ❑ notification of US intention to withdraw from the ABM treaty (this was not directed at China but is seen by it as a threat since it opens the way to develop theatre missile defence technologies which China suspects will be transferred to Taiwan).

The forced landing on Hainan Island in April 2001 of a US military intelligence aircraft that had been involved in a mid-air collision with a Chinese air force fighter highlighted publicly the intensity of US military collection efforts against China. And that was even before the new Bush Administration had completed its first review of US strategic policy that elevated the possibility of major war with China to a central plank of long-term US strategic planning.

Citing China's continuing military intimidation of Taiwan as the justification, the Bush Administration took US policy toward Taiwan on a more confrontational path by radically enhancing its military relationship with Taiwan. In the second week of March 2002, the US permitted a visit by Taiwan's Defence minister to participate in public and private discussions of his official portfolio interests, even though the US sought to pass off the visit as 'unofficial'.<sup>35</sup> This visit was the first substantive one by a Taiwanese foreign affairs or security minister since 1979. The minister held a 100-minute meeting with US Deputy Secretary of

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<sup>33</sup> See Greg Austin, 'The Taiwan Issue in Japanese Domestic Politics', in Austin (ed.), *Missile Diplomacy and Taiwan's Future—Innovations in Politics and Military Power*, Canberra Papers in Strategy and Defence, Strategic and Defence Studies Centre, The Australian National University, 1997, pp. ??.

<sup>34</sup> See Greg Austin, 'Philippines Spratly Policy as a Case Study in Conflict Enhancement', *Security Dialogue*, March 2003 (forthcoming). The value to the US of military access to the Philippines for Taiwan-related contingencies is geographic proximity to the main Chinese naval bases that would be involved. In June 1997, the US-Philippines Mutual Defence Board began discussion of a new Acquisition and Cross Servicing Agreement (ACSA), similar to one that the US and Japan agreed in April 1996 immediately after the Taiwan missile tests. The agreement with the Philippines provided for US naval access to any of the country's 22 commercial ports. The agreement has been identified in a number of places, both opposition and official, as a bases agreement without the name. The *Stars and Stripes*, which is published under the auspices of the US Secretary of Defence, reported in May 2001 that 'military training in the Philippines is so frequent that US forces have a virtual permanent presence without putting down roots'. In May 1999, the Philippines Senate ratified a new Visiting Forces Agreement which allowed the US to resume joint ground force exercises and port visits which had been suspended since 1996 after a dispute over jurisdiction for offences committed by US service personnel.

<sup>35</sup> In its 1979 communiqué with China on normalisation, the USA 'recognises the government of the People's Republic of China as the sole legal government of China'. The next sentence in the same article says that 'Within this context, the people of the United States will maintain cultural, commercial, and other unofficial relations with the people of Taiwan'. Even though the US broke off its formal defence relations with Taiwan at that time, it was understood between the USA and China at the time that the question of the US-Taiwan military relationship, especially arms sales, would be a subject of further U.S.-China discussions. At any rate, the U.S. made plain in its December 1978 statement on normalisation its expectation that the Taiwan question will be settled peacefully by the Chinese themselves. (This was in contrast to the December 1978 statement of China on normalisation that said that the Taiwan question 'has now been resolved between the two sides'.)

Defense, Paul Wolfowitz. Also in March 2002, news broke of a Pentagon document detailing a nuclear posture review by the Bush Administration that called for US contingency planning for the use of nuclear weapons in a Taiwan Strait contingency – a report that Chinese officials predictably described as 'shocking'.<sup>36</sup> Other moves include:

- ❑ new arrangements for military exchanges with Taiwan
- ❑ normalisation of the timing and manner in which the U.S. approved arms sales to Taiwan
- ❑ expansion of the scope of arms sales to Taiwan
- ❑ committing itself to pursuing combat interoperability between U.S. and Taiwan armed forces
- ❑ committing itself to support of substantial reform in Taiwan's administration of defence policy and development of joint force operational capability.

The US contingency planning in respect of Taiwan is not just about the latter's status in the international community, but is now part of a bigger balance of power contest. By March 2002, notwithstanding two visits to China by President Bush in the previous five months and China's support for the US in the war against terrorism, US officials continued to ratchet up their political posturing on China. In February 2002, the Director of the CIA, George Tenet, told a Congressional committee that China's cooperation with the US in the war against terrorism changed none of the fundamentals of the long term strategic competition between the US and China. The cooperation, he said, would not deflect China's bid to emerge as a power likely to challenge US strategic pre-eminence in Asia; and China's cooperation did not reduce the need for the US to prepare for the contingency of war with it.<sup>37</sup>

Numerous official and unofficial US sources have commented on the strategic significance of military access to the Philippines in US planning for Taiwan. Sometimes they refer only to 'regional security' and the possible threat from 'major regional powers' or the 'emergence of a great regional power', terms often used to mute US language in public when the topic of discussion is unambiguously China. For example, in 1997 Secretary of Defense William S. Cohen observed that the USA wanted to 'shape the security environment' in Asia. To do that, he said, the USA intended 'to be forward deployed' and 'to maintain a robust presence in key regions of the world' in order to 'defeat military aggression by major regional powers' and respond to 'greater dangers over the horizon, including the emergence of a great regional power'.<sup>38</sup> In 1998, Commander of the Pacific Command Admiral Joseph Prueher told the House of Representatives Armed Services Committee that the USA 'must continue to deal

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<sup>36</sup> See William M. Arkin, 'Secret Plan Outlines the Unthinkable', *Los Angeles Times*, 10 March 2002. Arkin is the leading public source analyst of U.S. nuclear policy and plans. The Nuclear Posture Review said that 'Due to the combination of China's still developing strategic objectives and its ongoing modernization of its nuclear and non-nuclear forces, China is a country that could be involved in an immediate or potential contingency' (pp. 16-17). The Review specifically mentions the Taiwan Strait situation as one of the possible triggers for such an event.

<sup>37</sup> Tenet told the Senate Select Committee on Intelligence on 6 February 2002 that 'China is developing an increasingly competitive economy and building a modern military force with the ultimate objective of asserting itself as a great power in East Asia. And although Beijing joined the coalition against terrorism, it remains deeply skeptical of US intentions in South Asia. It fears we are gaining influence at China's expense, and views our encouragement of a Japanese military role in counter-terrorism as support for Japanese rearmament – something the Chinese oppose.'

<sup>38</sup> William S. Cohen, 'Remarks as Prepared for Delivery by Secretary of Defense William S. Cohen to the Brookings Institution Board of Trustees, Washington DC, 12 May 1997; available at <http://usinfo.state.gov/regional/ea/easec/cohensec.htm> (12 November 2002).

with China from a position of strength'.<sup>39</sup> He noted later in his statement that 'U.S. forward-deployed forces in Asia remain the linchpin of regional security and stability'. Prueher also noted that 'maintaining freedom of navigation is critical to regional security and economic development' and that 'some Asia-Pacific nations assert excessive maritime claims that challenge this freedom', a fairly clear reference to China.

Such US official statements, reflect the escalating contest of ideas in Beijing, Washington and Tokyo in the past decade about the future balance of power in East Asia, and how China's continual threats against Taiwan affect that balance.<sup>40</sup> As a result, both China and the USA find it hard to resist the pressure to see the resolution of Taiwan's status as reflecting seriously on their credibility as great powers.

### *Tibet, India and US Policy Trends*

In contrast to the relationship between Beijing and Taipei, the situation in Tibet is far less dramatic for the Chinese leadership on a day to day basis, but despite this, it is no less threatening. On the one hand, Beijing controls the territory in Tibet and has in place a highly developed system of public administration. This is backed up by a large number of uniformed personnel and residents who are not of Tibetan origin, but are migrants (or the children of the migrants) sent there in the past four decades by Beijing to provide a substantial population base for continued rule by China. The enemy for Beijing in Tibet is the authority of a religious leader who commands no armed forces, who is not supported by any quasi-military alliance with the USA, and who preaches non-violence. There is therefore no question of Tibet as a political entity continuing to resist Beijing's efforts to control it physically, as with Taiwan. This is not an issue of re-unification.

On the other hand, there is a Tibetan government in exile located in Dharamsala in northern India. The spiritual leader of the Tibetans, the Dalai Lama, vigorously cultivates international support for his resistance to Beijing's rule, without ever really being too precise about his long-term political ambition for Tibet. He says he is interested in more autonomy for the local (non-Chinese) Tibetan community, but Beijing fears that he really wants independence. And the Dalai Lama has recently rebuked Beijing publicly for lack of response to his conciliatory approach, a rebuke that carries with it the implication for Beijing that the Tibetan government in exile will more directly advocate total independence from Beijing. The authorities in Beijing continue to suppress the collective activities of Buddhist monks in Tibet, and thereby continue to fuel not only resistance by Tibetans to its rule but also international support for this resistance. Thus, while this is not an issue of reunification, it is for Beijing an issue of national integrity and internal security on almost the same level of complexity as the Taiwan problem.

And for Beijing, the Tibetan problem is getting worse. Sentiment in Western countries in favour of Tibetan independence continues to snowball. The number of legislative resolutions or other measures taken in Western parliaments to register disapproval of Beijing's style of

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<sup>39</sup> Joseph W. Prueher, 1998. 'Statement of Admiral Joseph W. Prueher, U.S. Navy Commander in Chief, United States Pacific Command, Before the Armed Services Committee, United States House of Representatives, Posture Hearing, 4 March 1998'; available at <http://russia.shaps.hawaii.edu/security/98-3-4prueher.html> (12 November 2002).

<sup>40</sup> On the public debate in Japan, see Greg Austin and Stuart Harris, *Japan and Greater China—Political Economy and Military Power in the Asian Century*, Hurst & Co, London and University of Hawaii Press, Honolulu, 2001, Chapter 3.

rule continue to grow. The Dalai Lama has extended his international profile. China's main assets (physical control and transmigrants) offer no guarantee of any sort in the absence of other fundamental changes in the loyalty of the local population. The cases of the former Soviet republics, especially Estonia where the USSR had military and internal security forces and where some 40 per cent of the population identified as ethnically Russian, do not reassure Chinese leaders that their possession of such assets in Tibet offers any ultimate protection against eventual political separation.

Where is the US hand in propping up or bolstering Tibetan resistance to Chinese rule? One scholar has rightly observed that it has been the Congress and not the Administration that has maintained interest in the 'Tibet cause' in the USA.<sup>41</sup> There is certainly no public evidence of direct use by the US Administration of any military strategic instrument, and the Administration's public face on Tibet is one of acceptance of Chinese sovereignty. A series of Congressional initiatives on Tibet were taken most visibly in 1987 after the Dalai Lama addressed the Congressional Human Rights Caucus.<sup>42</sup> But President Bush snr initiated the 'drop-in' meetings between the Dalai Lama and the President in the White House, a practice continued by Clinton and George W. Bush.

With the emphasis in the Clinton Administration on the expansion of democracy, new moves were taken by parts of the US government to support Tibetan resistance to Chinese rule. For example, when Clinton visited India, he signed a joint declaration with the Indian Prime Minister which provided for the opening of an office there of the US National Endowment for Democracy (NED), an office which has provided low levels of funding to the Tibetan exile groups.<sup>43</sup> Some Chinese sources refer to the NED as a CIA front. In the Clinton period, the US Senate passed on 9 March 2000 a bill to designate 10 March as the 'national day' of Tibet.<sup>44</sup>

And the political contest between Washington and Beijing over Tibet has escalated under the Administration of George W. Bush. In May 2001, the US Congress (both houses) passed the Tibet Policy Act, which declared Tibet – including Tibetan nationality areas in parts of four neighbouring Chinese provinces – to be an 'occupied country',<sup>45</sup> and called on the US government to undertake a range of measures including:

- ◆ reappointment of a Special Coordinator for Tibetan Issues within the State Department;

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<sup>41</sup> John Kenneth Knaus, 'An Uncertain Ally: The US Government and Tibet', *Harvard Asia Quarterly*, No. 3, 2000. [www.fas.harvard.edu](http://www.fas.harvard.edu).

<sup>42</sup> Knaus, *op cit*.

<sup>43</sup> NED was established under President Reagan and is Congressionally funded. In 2000, it gave the following small grants to Tibetan groups: 'International Campaign for Tibet –\$30,000 – to support meetings, symposia, speeches, publications and articles designed to improve communication between Tibetans and Chinese; Tibetan Literary Society –\$20,000 – to publish the Tibet Times, a Tibetan language newspaper providing in-depth coverage of Tibetan, local and international issues for Tibetans in Tibet, international audiences and Tibetan exiles; Tibetan Multimedia Centre –\$30,000 – to disseminate news and information about the struggle for a democratic Tibet inside Tibet and China, among Chinese democrats throughout the world, throughout the exile communities of Tibetans in India, and to the Indian public; Tibetan Review –\$20,000 – to publish and distribute Tibetan Review, a monthly English language news magazine, throughout the Tibetan community in exile and international community.' See

<sup>44</sup> *China Daily Online*, 14 May 2001.

<sup>45</sup> A measure echoing similar resolutions in earlier years.

- ◆ annual reporting to Congress on progress in US efforts to get a Tibet-China negotiation on autonomy under way;
- ◆ imposition of conditions on US-supported multilateral aid projects in Tibetan areas of China;
- ◆ application of best efforts to establish a State Department office in Lhasa;
- ◆ stepping up advocacy by the US State Department of an end to 'all interference' by Beijing 'in the religious affairs of the Tibetan people'; and
- ◆ increasing the visibility of Tibetan groups and Tibetan issues within the United Nations.

The Act also provides for Tibet to be an issue of discussion between the US-European Interparliamentary Group. In response, on 17 May 2001, the Bush Administration gave to Undersecretary of State for Global Affairs Ms. Paula Dobriansky, the assignment of US Special Coordinator for Tibetan Affairs. Her duties are to 'help preserve Tibet's unique cultural, religious, and linguistic heritage'. Dobriansky is the highest-ranking official to hold this post since it was set up in 1997.<sup>46</sup>

On 5 March 2002, a Resolution was introduced into the House of Representatives by 42 members calling on the Bush administration to 'give serious consideration to recognizing the authorities of Tibet who are currently exiled in Dharamsala, India, as the legitimate representatives of Tibet' if they cannot reach an agreement with Beijing within three years that 'provides for the political autonomy of Tibet'.<sup>47</sup>

So at many levels, the Act and other recent Congressional moves on Tibet represent a significant expansion of the 'internationalisation' of the Tibet issue, something which Beijing has always opposed. If one takes as a precedent the way in which Congressional opinion on Taiwan has helped to shape US Administration policy in the last decade, then these Congressional measures on Tibet will only be viewed in Beijing with great concern.

The level of concern in the leadership can be assessed indirectly from Chinese scholarly analysis and media. For example, In August 2001, a Chinese scholar accused the US Administration of being a main supporter of Tibetan independence.<sup>48</sup> Several months earlier, in May, a Washington based Chinese journalist reported back home that the USA ('that power on the other side of the Pacific Ocean') has 'special favour for those who go in for "independence" in China'.<sup>49</sup> The reporter noted that the Dalai Lama visited 'six states and nine cities in the United States from 7 through 28 May 2001 to meet with numerous US government officials, congressmen, governors, and mayors'. The report went on:

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<sup>46</sup> Her predecessor, Julia Taft, had the rank of Assistant Secretary of State.

<sup>47</sup> See State Dept website, <http://usinfo.state.gov/regional/ea/uschina/rez357.htm>

<sup>48</sup> It is also the US ruling group that is the main supporter of Dalai's Tibet independence activities abroad today. On the one hand the United States acknowledges that Tibet is part of China, while on the other it supports the Dalai clique's activities for splitting the motherland'. Reported in Xing Liyu, 'Chinese Scholar Comments in Evolution of US Tibet Policy', *Zhongguo Xinwen She*, 2 Aug 2001, FBIS-CHI-2001-0802.

<sup>49</sup> Ren Yujun, 'US Goes Even Further in Favoring "Taiwan Independence" and "Tibetan Independence"', *Renmin Wang WWW-Text*, 24 May 01, FBIS-CHI-2001-0524: "'Taiwan Independence', 'Tibetan Independence'". "Courteously Received" on the Other Side of the Ocean

Dalai carries out some round of 'activities' in the United States practically every year but this year's 'activities' are surpassing any previous round in terms of duration, the regions covered, and standards. In disregard of China's resolute opposition, US Secretary of State Powell on 22 May met with the Dalai Lama at the Department of State. It was followed shortly by Bush's meeting with the Dalai Lama on 23 May at the White House. Reuters specifically noted that Bush had chosen the '50th anniversary of Tibet's peaceful liberation' by China to hold talks with Dalai.

And then came a stinging critique linking the Dalai Lama to 'US-led anti-China forces' and the push for an independent Tibet.

### *Xinjiang and the Shifting Alliances of Central Asia*

Some members of the Uighur community and some other Turkic ethnic groups have been waging a low-level campaign of sabotage and murder against the Chinese government in support of claims for independence from China. Their violent resistance to Chinese rule first resurfaced<sup>50</sup> between 1989 and 1993, died down somewhat in 1994-95, and again intensified after February 1997.<sup>51</sup> The rise in armed Uighur nationalism can be attributed in part to the service in Afghanistan during the 1980s of Chinese citizens of Uighur nationality; and in part to the relatively easy interchange that had existed between radicals in Pakistan and western China. A number of the violent activists in Xinjiang have been trained in Pakistan.

The Xinjiang Uighur Autonomous Region (XUAR) retains many appearances of a colony of China.<sup>52</sup> Except in the capital and a few other places, it has highly segregated and mutually antagonistic populations. It has a violent (though low intensity) rebellion of the indigenous population; and an irrational and highly centralised system of economic exploitation, through the Xinjiang Production and Construction Corps (somewhat reminiscent to the British East India Company in its heyday).<sup>53</sup> There are marked differences between northern parts of the

<sup>50</sup> Between 1944 and 1950 in the area around Yining, Uighur nationalists managed to establish an independent East Turkestan.

<sup>51</sup> South Asia Analysis Group, 'Continuing Unrest in Xinjiang: An Update', 14 March 1999, <http://saag.org/papers>.

<sup>52</sup> A recent study of Xinjiang in the nineties, albeit one based on fieldwork mostly conducted several years ago, supports the general thrust of the assessment this paper is suggesting, though it differs on some of the causes. The study by Nicholas Becquelin concludes that the '1990s led to a very major shift in relations between the state and society in Xinjiang'. The system had changed, the author suggested, from one that discriminated (presumably positively) on the basis of nationality to one that segregated on the basis of nationality. The study identified major risks in Beijing's current strategy in the XUAR, and described the heightening of inter-ethnic conflicts, and in southern Xinjiang in particular, a renewed repressive climate and increased segregation. (The Becquelin study appears to differ from this paper in its emphasis new Han migration into Xinjiang whereas this paper has reported a net outflow of Han Chinese. Becquelin does note that 'information on recent Han arrivals is extremely difficult to verify'.) See Nicholas Becquelin, 'Xinjiang in the 1990s', *China Journal*, No. 44, July 2000, pp. 54, 90.

<sup>53</sup> See James D. Seymour, 'Xinjiang's Production and Construction Corps, and the Sinification of Eastern Turkestan', *Inner Asia*, 2 (2000), pp. 171-193. Seymour notes that the Corps is a 'major institution for the ethnic Han (Chinese) colonisation of Xinjiang'. 'Although quasi-military in origin, its military role is now eclipsed by its economic role. Traditionally it was primarily a collection of state farms, but in recent years its industrial enterprises have expanded. It has also played a role in imprisoning convicts from eastern China. Largely destroyed during the Cultural Revolution, it was actually abolished for a few years beginning in 1975. But the perceived need to project Chinese influence into the area, and to protect against ethnic unrest and Soviet pressures, persuaded the authorities that the Corps should be revived. Today the Corps has 2.8 million members, or 14 percent of Xinjiang's population, and plays a significant role in the region's economy.' According to the Uighur American Association, the Corps has a special legal status that subordinates it to Beijing, not to the AR government; the Corps plays an integral part in Beijing's strategies for control of the region; and the Corps'

XUAR, including cities like Urumqi and Turfan which are 'Sinicised', have quite high proportions of Han Chinese, and are less troublesome; and the southwestern parts around Kashgar, where the Uighur community accounts for 90 per cent of the population, where modernisation has not been profound, where there are deep-seated inter-communal tensions, and where there is a pervasive 'wild west' atmosphere.<sup>54</sup>

According to sources in Beijing, the Chinese government now feels it is losing the fight against the Moslem rebels. The reasons cited for this by Beijing sources are as follows.<sup>55</sup> There is now a net outflow of Han Chinese from Xinjiang. This has come about because the policy of migration of Han Chinese to Xinjiang was a policy of forced migration, when jobs were assigned by the Party and people had little choice but to go where they were sent. Now that China effectively has a free labour market and its controls on residency have largely evaporated, many of the forced migrants to the West are returning to their original homes (for family reasons) or to other places in the richer provinces for economic reasons. Even a number of Han Chinese born in the west find it more attractive for economic reasons to migrate eastwards. This net outward migration is a long-term problem for the Chinese leadership, and though it can be corrected over time with special incentives, the issue bears heavily on leadership calculations of the nature of the problem. There are other indirect signs that China is losing control and these include a rapid increase in the number of illegal mosques and religious schools.

The rebellion in Western China weighs even more heavily on Chinese leadership perceptions of internal security because official sources in Beijing believe that China has lost control of infiltration across the borders with Tajikistan and Kyrgyzstan, two tiny countries of Central Asia facing immense problems of governance and armed incursions of their own. China has significantly increased its military relations with Kyrgyzstan at least and is providing support to the development of its border surveillance programs. But these programs are at a low level and the flow of weapons, money and drugs to support the operations of the rebels in Xinjiang has increased in recent years. Chinese sources make it clear that China does not have the capacity to seal its borders in the west. Chinese military and police assets even now have to rely on citizen support for surveillance of the borders. Since long stretches of the border are in only sparsely populated areas, the citizens are not much help – even if they were well disposed to Beijing or the government, and most in southwestern Xinjiang are not.

China supported US military intervention in Afghanistan to attack and root out Al Qaeda and Taliban forces. China had also supported a series of Security Council resolutions beginning in 1998 calling on the Taliban to stop harbouring and to hand over indicted terrorists.<sup>56</sup> So, it could be argued that the arrival of US military forces in Central Asia in the war against terrorism is not of great concern to Beijing and is indeed welcomed. At one level this is true and it is not difficult to find commentaries in the Chinese media to this effect.

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exploitative activities are the main source of the 'ethnic' rebellion in the XUAR. See 'Bingtuan: Xinjiang Production and Construction Corp', <http://www.uyghuramerican.org/ET/bingtuan/mainpage.html>.

<sup>54</sup> See Willem van Kemenade, *China, Hong Kong, Taiwan, Inc*, pp. 403-4.

<sup>55</sup> Interviews with the author, October 2000.

<sup>56</sup> UNSC Resolution 1214, 8 December 1998; Resolution 1267, 15 October 1999; Resolution 1333, 19 December 2000.

But the leadership view is more likely negative on balance, taking much the same view as has often appeared in Chinese open source commentaries.<sup>57</sup> While the more negative public commentaries were published prior to China's more fulsome welcoming of the US military action in Afghanistan, they are still useful as a reflection of the basic instincts of at least some Chinese leaders. Much earlier commentaries were quite strong, painting US strategic intentions in Central Asia in a negative light, suggesting that the USA was trying to bring the region 'under its security system', and that it was trying to gain control of the region's energy resources.<sup>58</sup>

China's military leaders in particular are not happy with the expansion of Europe (OSCE and NATO Partnership for Peace) to their western borders. They are even less content about the new US presence in Central Asia after 11 September 2001. It should be noted that the main requirement from China's point of view in support of a temporary US presence in Central Asia at that time was an internal security one. China had to put aside its geo-political concerns in the interests of eliminating the threat of the export of revolution to Xinjiang from Afghanistan, Pakistan and some of the Central Asian states. China also no doubt saw virtue in being seen to be friendly to the US in its moment of great need from the point of view of trying to make a dent in US public opinion. But now that the immediate threat of export of revolution has been reduced significantly, the geopolitical concerns will almost certainly begin to re-emerge.

Until the US military presence arrived in Central Asia, China had been quite successful in shaping the geopolitics of the region. Along with Russia, China had established in 2001 the Shanghai Cooperation Organisation, an outgrowth of the multilateral border negotiating forum, the Shanghai Five, that had been in place since the collapse of the USSR.<sup>59</sup> China's active leadership in formation of the Shanghai Cooperation Organisation (SCO), which included Jiang Zemin attending a summit meeting in Dushanbe, the capital of Tajikistan, is one of the most visible manifestations of the seriousness with which China views the geopolitics of the region. The SCO has both regional and global ambitions. At the regional level, it provides a formal legal framework for cooperation in anti-terrorism and border security, among other regional security issues such as illegal arms trade. At the global level, it has the ambition of providing the foundation for a new international order<sup>60</sup> premised on multipolarity and the 'renunciation of unilateral military superiority in contiguous areas'.<sup>61</sup> But

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<sup>57</sup> See for example, Ba Ren (presented as Chinese expert in International Affairs), 'The United States Meddles With Afghanistan To Kill Three Birds With One Stone – On The White House's Military Deployment and Variable of Central Asian Strategic Patterns', *Ta kung pao* (Internet version), 24 September 2001, FBIS-CHI-2001-0924. Two excerpts are indicative: 'To China, it means that the US fills the last gap in the northeast of its ring of encirclement (or at least hammers in a wedge). If the US uses the opportunity to occupy Afghanistan, or set up a puppet government in that country, the US military stationed in Afghanistan and in the Persian Gulf will take up two corners, and possibly use national and religious factors to give strategic pressure on China's western region. China will feel prickles down his back. ...To summarize the above, if the US military marches into Afghanistan, the strategic situation as a result of the military actions will greatly change, accelerate the demolition of the original power balance in Central Asia, and make Central Asia a region with a prominently unbalanced security mechanism in the world. We should attach enough importance and be vigilant to this possible variable of the international security situation that has an effect on China.'

<sup>58</sup> See for example, Xinhua Domestic Service, 3 August 1997, carried in FBIS-CHI-97-217: 'US Central Asian Strategy Faces Challenges'.

<sup>59</sup> The members are China, Russia, Tajikistan, Kyrgyzstan, Kazakhstan (the original Shanghai Five) and Uzbekistan. The negotiations built on significant progress that had been made between China and the USSR before 1991.

<sup>60</sup> See Article 2 of the Declaration on the Creation of the Shanghai Cooperation Organisation.

<sup>61</sup> See Article 5.

the organisation gives priority in the security sector to regional security. In this sphere, the determination of both China and Russia to apply maximum resources consistent with political constraints, such as sensitivity about deploying troops across borders, should not be underestimated. In forming the SCO, both China and Russia saw the existing and emerging threats in Afghanistan and Central Asia as among the most serious they then faced.

But in geopolitical terms, the fate of the SCO now seems to hang in the balance and the organisation will have to go through its next few years under competing pressures. On the one hand, leaders of all member states share China's very hard-line approach to internal security and national unity. It would appear at first glance that they should easily be able to continue to cooperate on internal security matters. But under the influence of the rapid and large scale US strategic insertion into Central Asia after 11 September, cleavages are beginning to show. Uzbekistan failed to attend one SCO summit, and Russia made a dramatic strategic tilt toward the USA and Europe that can only compromise the embryonic strategic partnership that was emerging between China and Russia. The energy aspect of the Russian strategic tilt, embodied in President Putin's agreement to consult with the USA on oil supply and prices, is one area where this may be felt most keenly by China. After 11 September, China is reported to have taken a decision to establish a strategic oil reserve, partly out of fear of an interruption of Persian Gulf supply, but partly out of concern about long term access to Central Asian reserves.

The insertion into Central Asia of a potentially permanent US military presence can only aggravate China's sense of vulnerability and risk that it feels about the US military support for Taiwan. This has three dimensions. First, a mooted US military presence on China's western border had been portrayed in some Chinese commentaries before 11 September in classic geopolitical terms as encirclement, even if that was not the primary motivation in the US deployment once it took place. Second, Chinese leaders could be forgiven for viewing the new US military presence in Central Asia as giving the US a second theatre option for a military confrontation with China over Taiwan. Third, the US military presence in Central Asia brings with it the inevitable pressure from the US for political reform and liberalisation in the neo-Communist states there. Chinese leaders almost certainly see this link in Central Asia as likely to lead to more pressure from the US on China over the political order in western Xinjiang.

A somewhat lesser but still important aspect of US policy toward Central Asia is that the same pattern of Congressional engagement that occurred in the cases of Taiwan and Tibet will almost certainly emerge in the case of the Xinjiang question. Already, the Congress has passed a non-binding resolution calling for the release of a Uighur dissident which China says was convicted for spying. And China protested the resolution. Congressional interest in Central Asia and the Muslim population in western China will increase the longer US military forces remain in the region. US pressure on Central Asian states to liberalise and end repression has been more intense since 11 September and more effective. If as seems likely now, the still repressive governments in Uzbekistan and Kyrgyzstan start to liberalise, this could also increase US Congressional interest in religious and political freedom in Western China.

**China's International Responses: Target the US Alliance System or Challenge World Order?**

Independently of new US political pressure on China in its periphery areas, China's leaders were becoming increasingly pessimistic about the individual situations in Taiwan, Tibet and Xinjiang. China was pursuing a number of policy responses to these individual problems. For Tibet and western Xinjiang, these responses stretched across a wide area of domestic policy (nationalities policy, religious policy, regional development programs, legal and police responses, and repression). On the international stage, China was also pursuing a variety of policies to contain the threats in its individual periphery 'problem areas'. These included where appropriate new security arrangements (such as the SCO), economic cooperation, trade and investment and, in Taiwan's case, even coercive diplomacy. We have seen a relatively creative and for the most part sophisticated mix of policies, including both carrots and sticks, in all three cases and will continue to do so. China's policies have been characterised by exaggerated propaganda but a steady and calm determination to follow through and to look for medium to long term outcomes, rather than quick fixes. Neither the overly shrill propaganda nor the apparent steadiness of their public positions has been by itself a reliable indicator of the mood of the Chinese leaders. But they have been worried and they have been getting more concerned as the long term trends have become increasingly unfavorable.

Now that Chinese leaders have seen a developing pattern of US pressure on the country's periphery as a whole, it is not unreasonable to ask whether they will feel confident in tackling this much larger strategic challenge (and direct affront) with the same outward composure. Is there evidence that they are likely to resort to a less composed or more confrontational set of policies on the international stage? Will they hold to the 1989 injunction of Deng Xiaoping of 'First, observing coolly; second, securing our position; third, dealing with things calmly'.

The first place to look to answer this question is the domestic arena. China's leaders do have within their reach a set of policies that will eliminate the US challenge on its periphery. Since the US pressure arises in large part because of China's resort to repression domestically and the slow pace of democratisation, then all China need do to curtail the US pressure is to end its domestic repression and quicken the pace of democratisation. Chinese leaders have long recognised the link between lower level democratisation and the elimination of their public order problems in Tibet and Xinjiang, and the resulting international condemnation. China is heading in the direction of significant political liberalisation, but the leaders face a difficult transition process. Until the day when China can achieve significant domestic political reform – thereby defusing its three periphery problems – then it will probably continue to rely on repressive policies at home. An intensification of political confrontation by the US will be the inevitable result. Even small signs of more repression means more US pressure, because US policies are more responsive to occasional increases in Chinese repression than they are to coping more calmly with the probable long term trend of liberalisation. This has an escalating or flow-on effect. More US pressure means more repression at home, because Chinese policy is premised on fear of rapid democratisation that US pressure aims to achieve.

On the international stage, there is a parallel. China's leaders have it in their grasp to reduce the US pressure by ending the military threats against Taiwan. But the Chinese feel their hands are tied. They are not approaching a Gorbachevian realisation about 'common security', the proposition that a genuine peace depends on the abandonment of their own aggressive posturing. China is looking for some reduction of the military confrontation over Taiwan, and has even offered to freeze its missile deployments opposite the island if the US will reverse the direction of the US-Taiwan military relationship. But China is finding it almost impossible, given the instincts of its leadership, to abandon altogether the military threat against Taiwan.

Chinese leaders are not alone in aggravating the circumstances in which they find themselves. The current US Administration has made robust and determined efforts, even after 11 September 2001, to declare its intentions not only to oppose Beijing's intimidation of Taiwan even at the risk of war, but also to combat more vigorously Beijing's vision of its own domestic order. The ideological element of US foreign and security policies was already resurfacing strongly in the first six months of the current Administration, but has now taken centre stage after 11 September. In using this rubric 'ideological', I don't mean to denigrate the US choices, or to suggest that there are not still pragmatic aspects. But for Bush after 11 September, the ideological has come to be seen as the pragmatic. Bush sees the only pragmatic approach to security as ideological: one that is premised on the notion that if you don't have an open and plural political system, then that is a threat to the USA. One can accept this approach as sensible or not, but a more ideological US foreign policy can only mean more confrontation with an undemocratic China.

The atmosphere in US-China strategic relations is now bleaker than for a long time, perhaps any time since the 1950s and 1960s. China's leaders are increasingly pessimistic about their security situation; and there are many indicators in place for a clear shift by China to a new set of policies that are more confrontational. Is this likely? What options for a dramatic change in posture does China have?

It has only one: to attempt some sort of 'strategic probe' in a part of the world where the US has very sensitive and vulnerable interests (such as Korea or the Middle East). China would seek to develop a shift in policy (not a military challenge) in a way that may destabilise the US strategic position. China's hope would be that it could hold out such a potential threat to US or Allied interests that it would force the US to recognise the sense of threat China feels from it, and that the US would as a result end its challenge on China's periphery. At the very least, the next 2-3 years will be marked by a more determined push by China to divide the US from its allies and stir the pot where the US is facing problems. Could the appointment of China's first Middle East envoy in late 2002 be a first sign of this? Or does it merely represent a coming of age for Chinese diplomacy as a result of its greater wealth and its greater interest in the UN Security Council?

For the moment, China has no interest in or realistic option any frontal or comprehensive challenge to US power. Some in China's leadership circle have advocated a new global rivalry that pits a China-led coalition of non-democratic Third World states against a US-led coalition of democratic industrialised Western states. China's leaders as a whole have rejected this – for now. If a war on Iraq went badly for the US, it would not be too unrealistic to expect some sort of strategic tilt by China toward Iran and a mobilised, anti-American Islamic world. Appearances of closer US-China relations, particularly in the war against terrorism or against Iraq, should not be read as evidence to the contrary. There are those in China who support the UN resolutions on Iraq in the hope that long term US interests will be severely damaged by a war to overthrow the Iraqi government. On the other hand, US success in a war against Iraq will only embolden those in the US Administration who have been pushing for more pressure on China over Taiwan.

In the medium to longer term, significant political liberalisation in China is probably inevitable. If this occurs, the main point of contention between China and the US (and between China and Taiwan) will begin to wither. From that point on, there may still be impulses that push the US to intensified rivalry with China, but at least the doors to a durable

community of interests between the US and China will have been opened. It will be up to each of the parties whether they go all of the way through those doors, stay on the threshold, or try to close the doors.

### **European Policy Context**

US allies do need to understand that US resistance to China's current policies, though it may look unnecessarily confrontational, may well in fact quicken the pace of China's domestic liberalisation and therefore eliminate for the longer term the threat of renewed rivalry. But as necessary as US resistance is, the prickliness that it throws up between the two great powers in the transitional period will increase. This new tension will need therefore to be channelled into low-risk modes and there must be new political ballast added to the relationship that can compensate for sudden shifts in the load. European countries and the EU must get a better grasp of the currents in contemporary US-China relations, and be prepared to shift from one side to the other on some specific issues when the need arises. This challenge is primarily political. And Europe needs to undertake more detailed study of China, of US-China relations and of Chinese strategic policy in Korea and the Middle East. There should be an increase in intelligence resources flowing to the China problem.

While the challenge to Europe from the trends discussed in this paper will more likely remain political, there is an increasing likelihood that US military forces and those of its Pacific allies, such as Australia and possibly Japan, will be involved in some sort of military confrontation with China within a relatively short time frame (perhaps five years). Australian military forces have already been involved in the high stakes military diplomacy being played out between the USA and China since 1996, through RAN transits of the Taiwan Strait, including some at US request, at least one of which was challenged by the PLA Navy on 17 April 2001. In July and August 2001, senior US Administration officials (Secretary of State, Colin Powell, and Deputy Secretary of State, Richard Armitage) made direct appeals in Australia for its military support for Taiwan contingencies, with Armitage going so far as to suggest that Australians should be prepared to die for the defence of Taiwan.<sup>62</sup>

To be sure of avoiding such outcomes, US allies in Europe need to engage more directly in US-China relations, and in other US allied relationships. They probably need to consider some pressure on the US to adopt a more constructive and less confrontational attitude toward China, especially on the Taiwan issue. They certainly need to dissuade China from any thought that a strategic probe against US interests in Korea or the Middle East could possibly be in its interests. At the very least, it is time for a wide, well-informed and public debate inside and among leading US allies on where they want to stand if the competitive dimensions of US-China relations begin to take on more robust, prickly and confrontational dimensions.

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<sup>62</sup> AFP, 18 August 2001. Official transcripts of Armitage's public remarks during this visit do not bear out this press report, but participants in one private meeting have confirmed that Armitage was quite direct and blunt on this point.