Two of the bestselling books in China today, popular among intellectuals and business people in particular, tackle the United States.

ONE IS A TRANSLATION of Confessions of an Economic Hit Man by John Perkins. In the book, Perkins describes his work as a highly paid professional helping US intelligence agencies and multinationals cajole and blackmail foreign leaders into serving American interests, and how the US, according to him, cheated poor countries around the globe out of trillions of dollars by lending them more money than they could possibly repay in order to take over their economies.

The other book, Huobi Zhanzheng (Currency Wars) is by Song Hongbing, a Chinese who was educated in America in the 1990s and used to work for American financial institutions. In his book, Song tells numerous stories of how international capital dominates the United States and other countries, manipulating politics, creating financial crises, and controlling global wealth. According to Song, the financial history of the world is simply a tale of conspiracies seeking domination and the uneven distribution of wealth in favor of the rich. He concludes that China should be prepared to fight “bloodless wars” waged by evil forces like the US Federal Reserve aimed at destroying China’s economy.

Compare these two books with a bestseller in China 10 years ago — The China That Can Say No: the Political and Sentimental Choice in the Post-Cold War Era. Written by several young Chinese intellectuals at a time when tensions were flaring up across the Taiwan Strait, the book demonstrates how they became disillusioned and angered by America’s international behavior, especially its sympathy toward Tai-
wan, American attacks on China’s human rights record after Tiananmen and the US-Japan alliance supposedly aimed against China.

Whereas the generation of *The China That Can Say No* expressed vehement nationalistic feelings based almost solely on their reading of China’s official media, China’s political elites today have gained a much deeper and more sophisticated understanding of the United States, owing to enormously increased international exposure and experience. More interestingly, with a much larger and more open economy and a fast-changing society, China’s focus on the US is moving away from traditional security concerns like US-Taiwan relations and the US military presence in the western Pacific to issues that are more relevant to China’s domestic agenda, including financial security, energy procurement, environmental protection, climate change, the trade balance, intellectual property rights, product quality and safety, and so on. These concerns are more global than regional in nature.

**PERCEPTIONS OF US POWER**

A deeper understanding of the United States and the new focus on nontraditional security issues, however, does not necessarily bring about increased trust. On almost every issue, the Chinese harbor suspicions that the US has malignant plans to restrain the growth of China’s power and to take advantage of its vulnerabilities. In terms of climate change, for instance, a conventional view is that Western countries, having polluted the air in their long process of industrialization, are attempting to slow China’s economic growth by pressuring it to reduce carbon emissions. In the same light, the United States is viewed as trying to trap China into appreciating the value of the renminbi on the one hand, while depreciating the US dollar on the other, so as to maintain its dominance in the international monetary system. In energy security, it is believed that the US deliberately keeps oil prices high and tries to deprive China of cheaper oil from countries like Sudan by demonizing China’s policy toward Africa. Hence the popularity of *Confessions of an Economic Hit Man* and *Currency Wars*.

As China reaches out for trade, investment, and natural resources, its influence and interests have extended to Europe, Africa, and South America. In China’s geopolitical and geoeconomic perceptions, Asia is redefined to include, importantly, Central Asia and the Russian Far East, in addition to East Asia and South Asia. These perceptions contrast with the perspectives of Japan, South Korea, the Association of Southeast Asian Nations, and other East Asian countries about the purpose of American power in Asia. Against the backdrop of its own expanding global interests, China views the power and role of the US first in global terms. Despite widely shared impressions and hopes in China that Washington’s global influence has been severely damaged by the quagmire in Iraq and the tainted US image in many parts of the world, strategic planning in Beijing is not based on an assessment of a weakened US at present or any time soon. Rather, the emphasis is on the con-
continued growth of US capabilities, especially its “hard power,” to influence world affairs. Despite concerns about its shaky mortgage market, the robust US economy is widening its gap with the economies of Japan and the European Union, and its technological edge over other powers is still considerable. US military expenditures have expanded, and the US remains the only country that can actually project power into any corner of the world. American cultural products continue to dwarf all their competitors in the world market.

To be sure, the US is still bogged down in Iraq and its national security concerns are obsessed with Islamic extremism, particularly in the Middle East. Some observers in East Asia complain about the lack of American enthusiasm for the region. From a Chinese point of view, however, there are not enough indications that US power has been weakened in Asia, or that American strategic planners are paying less attention to Asia. Many Chinese commentators refer to what they see as the “eastward transfer” of US military forces to Asia and the reduction of the US presence in Europe. US forces have improved their maneuverability in South Korea and Japan. The US-Japan security alliance has been elevated to a higher level where Japan is expected to play a larger role in global security issues. Particularly worrisome to Beijing is the intensified contact and coordination between the US and Taiwanese militaries, doubtless aimed at deterring China’s military buildup against Taipei’s secessionist schemes. In November 2005, Mongolia warmly received George W. Bush, the first US president ever to appear on its soil, and the two countries boasted of having established China’s military buildup against Taipei’s secessionist schemes. In November 2005, Mongolia warmly received George W. Bush, the first US president ever to appear on its soil, and the two countries boasted of having established China’s military buildup against Taipei’s secessionist schemes. In November 2005, Mongolia warmly received George W. Bush, the first US president ever to appear on its soil, and the two countries boasted of having established China’s military buildup against Taipei’s secessionist schemes.

In Central Asia, the Afghanistan War brought into the region for the first time in history not only US troops but also US air force bases. Economically, American oil and natural gas companies, supported by the Bush administration, have invested in the Caspian Sea area, helping build the Azerbaijan-Georgia-Turkey oil pipeline. Politically, the American government and pro-democracy NGOs stimulated the “color revolutions” in several former Soviet states close to Chinese territories. Chinese observers see these activities as attempts to export American ideas and destabilize the region at the expense of China and Russia.

The American presence in South Asia is also noteworthy. Apart from a firm security commitment to Pakistan, the US has accepted India’s nuclear power status and gone as far as to develop nuclear cooperation with New Delhi. As one American news report says, “the (American) hope is that a better, deeper relationship will give India’s foreign policy a more American tilt, perhaps providing a counterweight to China.” In addition, there have been suggestions that the US should formulate a US-Japan-Australia-India alignment based on “shared values.”

There are plenty of reasons, therefore, for Chinese strategists to conclude that US power is expanding not only globally but regionally in an effort to circumscribe China’s international space. Frankly, not many insightful Chinese thinkers are thrilled by international commentaries noting that the size of the Chinese economy is catching up with the US, that in the next one or two decades China will become a “superpower” vying with America for dominance in Asia and that the so-called “Beijing Consensus,” or the Chinese model of development, is appealing to other developing countries who would like to cast aside the free market economic model often referred to as the Washington Consensus.

Notably, leading Chinese strategists are keeping a distance from popular suspicions about the US conspiracy to contain China, stressing instead the need to “lie low” in international affairs, conduct a moderate foreign policy, and refrain from directly challenging US policy goals. Beijing has issued a number of official statements emphasizing China’s commitment to the “road to peaceful development” and to the goal of building up a “harmonious world” with other countries. The previously endorsed idea of China’s “peaceful rise” has been replaced by “peaceful development” in the official media.
It is hard to find a single political or diplomatic problem faced by China that could not ultimately be traced to an American root.

partly due to fear that the word “rise” would be misinterpreted as boasting of China’s newly gained power.

DEFENSE AGAINST PENETRATION
No one should pretend that the Chinese are no longer worried about US power, either “hard” or “soft,” that might overshadow China’s road ahead. Since the “color revolutions” and America’s pronounced goal of “transformational diplomacy,” Beijing has tightened its grip on the activities of non-governmental organizations inside China to prevent Western political penetration. Beijing is kept alert and defensive by America giving asylum to virtually all “anti-China” elements, from the Dalai Lama’s supporters to Uigur separatists, from human rights activists to the Falungong. The Chinese worry that further opening their financial sector, as many Americans are pressing them to do, might threaten their domestic order. Indeed, in the eyes of the Chinese, it is hard to find a single political or diplomatic problem faced by China that could not ultimately be traced to an American root.

CHINA REMAINS CALM
Given all these negative circumstances, why is China reacting so calmly? Why not appear “tough” to satisfy nationalistic pride at home? My answer to this question is three-fold. First, China’s reaction is based on the aforementioned sober analysis of American power in the region and around the world, especially the power balance between the US and China. It would be foolhardy for China to try to lead an anti-American coalition, even informally, or to challenge US dominance on its own.

Second, while many conflicting interests and ideas exist between the US and China, the two countries also share important interests and ideas, a fact clearly recognized by the Chinese. Neither wants to see any other Asia-Pacific country develop nuclear weapons, which is why the two governments are working closely with each other in the six-party talks to denuclearize North Korea. Shared fears about a military showdown across the Taiwan Strait are sobering, and both Washington and Beijing have quietly coordinated efforts to shatter Taiwan’s independence dreams. The two governments are cooperating inconspicuously to counter international terrorism. Despite widely reported trade frictions, substantive talks are being conducted between Chinese and American government agencies and think tanks to identify common interests and seek solutions on such issues as energy security, the international monetary system, climate change and public health.

These common interests are so significant that some influential Chinese policy analysts have pointed out that it would not be in China’s best interest to see America lose ground in the Middle East or elsewhere or shake off its international responsibilities in maintaining global order. Indeed, in recent years Beijing has ceased to refer to US foreign policy goals as seeking “global hegemonism.” Chinese criticism of US behavior, except its response to actions seen to be directly against China, has been reduced. To the Chinese leadership, being rhetorically assertive in foreign affairs without being able to deliver tangible results might be politically useful in the short term, but it would not add to its authority and credibility in the long run. In this regard, the absence of electoral, cyclical politics helps keep China’s foreign policy more consistent and strategically-oriented than those of many other governments.
Third, compared to the mounting pressures on China at home, the current international environment seems benign. No international crises involving China’s core national interests are on the horizon, provided Beijing and Washington can find a way to keep de jure Taiwan independence at bay and to rein in Pyongyang’s nuclear weapon’s program. Neither is an easy task, but both are achievable. In comparison, China is faced with an increasing number of bottlenecks in its political, economic and social development. Its political stability, economic prosperity and social harmony are seriously threatened by official corruption, widening income gaps, an insufficient social safety net, increased incidents of social unrest, worsening environmental degradation, energy shortages, faulty products, eroded morality and epidemic diseases, just to name a few. Carrying out a more aggressive foreign policy or holding a tougher position vis-à-vis the US would solve none of these problems. Rather, the country needs an extended period of calm internationally in order to address its domestic reform agenda.

In conclusion, China does care about what the US is doing diplomatically and militarily in Asia, but China’s regional concerns, seen in a broader context, are manageable. Other urgent issues, especially nontraditional security concerns that have their roots in domestic problems, are more pressing.

To be sure, growing Chinese material power is lending more confidence and leverage to its diplomacy, which is increasingly adroit, mature and proactive. While it is reasonable to assume that China’s international stature is being enhanced at the expense of the US, it is not necessarily China’s intention, or in China’s interest, to compete directly for “spheres of influence.”

Mutual trust at strategic levels is still lacking between the two countries. Consequently, it is worthwhile for other Asian powers to assume that they must keep a balance, and indeed play a role, between these two giants. However, it may not be advisable to base their foreign policies on the presumption that China and the US are moving in the direction of becoming long-term strategic rivals similar to the US-Soviet relationship in the Cold War years. All other Asian countries, along with China and the US, should see themselves as “stakeholders” in hedging against possible turbulence and disequilibrium.

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