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I am honored to make a presentation to the WPC. Today, October 1, is the National Day of the People's Republic of China. Everybody is on holiday today, so I am speaking from my humble house.

Prior to this date, three international events have boosted China's national pride and stimulated Chinese nationalistic feelings. The first event was the withdrawal of US troops from Afghanistan in August.

The second was the quarrel occurred between the US, Australia, and the UK on one side, and France and the EU on the other side, over AUKUS – a trilateral security pact between Australia, the United Kingdom, and the United States announced on September 15 for the Indo-Pacific region. Under the pact, the US and the UK will help Australia to acquire nuclear-powered submarines. The pact is largely seen as directed at China. The Morrison government of Australia announced it was cancelling this \$90 billion submarine contract with the French. On September 17, France recalled its ambassadors from Australia and the US. Four days later, EU officials were demanding answers and an apology from Australia.

The Chinese, of course, take pleasure from these tensions among Westerners, although China would not gain anything substantive from their discord.

The third event was the release of Ms. Meng Wanzhou, the CEO of Huawei, who had been detained in Canada for three years on criminal charges related to secret deals with Iran. Chinese officials and citizens alike celebrated Meng's return home as a significant victory and a sign of China's political power and diplomatic clout, without mentioning and ever knowing any compromise on the Chinese side.

I will make a few comments only on China's reaction to the changes in Afghanistan. For good reasons, Beijing has gloated over the US pull-out from Afghanistan after a costly 20-year intervention in this country. China's diplomats remarked that "America's myth is done and more and more people are waking" when it is seen as a failure of Western-type democracy in a poor country.

In the Chinese eyes, the loss of US influences in Afghanistan is a reflection of what China calls the "East rising, West declining" tide in global politics in general and the waning of US power in the greater Middle East in particular.

China's comparative advantage in Pakistan and the Middle East are two-fold. First, its economic and technological capacities. China borders Afghanistan and is seeking ways to

engage with the Taliban regime when the West is reluctant to do so. China will provide food, winter weather supplies, vaccines and medicine to Taliban-controlled Afghanistan worth almost \$31 million.

China will also be capable of improving Afghans' telecommunication networks in the Taliban-controlled area, if needed, as it has done in the Gulf region. Such actions could strengthen China's hand at the expense of US influences. Now that China's US geostrategic competition intensifies, it is increasingly absurd that China's gain is the West's loss.

Another Chinese advantage is its diplomatic standing that does not offend any governments and groups in the Middle East and Central Asia. But India seems to be a loser after the Taliban's occupation of the country backed by Pakistan. As a strong, informal ally of Pakistan, China could use its leverage to gain better connections with the Taliban. China has already coordinated diplomatic activities with Russia, Central Asian States, Pakistan, Qatar, Turkey and Iran on Afghan affairs.

At the same time, China's Foreign Minister, Wang Yi, also talked to the US Secretary of State Tony Blinken and NATO's Chief Jens Stoltenberg concerning the Afghan situation. China urged an end to sanctions on Afghanistan and said the Taliban should be given access to foreign reserves to ease the financial crisis, underscoring its policy differences with the West. In return, the Taliban called China a "good friend" and pledged to "never allow any forces to use the Afghan territory to engage in acts detrimental to China."

However, China also has its weaknesses in the region. For one thing, apart from Pakistan, China has few allies, and its social and humanitarian connections with regional states are limited. Its connections are basically with government officials. Compared to Western players, China is a latecomer in talking to local interlocutors.

China also lacks forceful means to take action to protect its enterprises, businesses, and citizens when they are at stake. There were increased incidents in the China-Pakistan Economic Corridor, or CPEC, that threatened Chinese workers. Even if the Afghan Taliban could be a bit friendlier to each other, the Chinese should be concerned about other radical groups, such as IS-K and Al-Qaeda.

An uncertain number of Xinjiang Uyghur insurgents or refugees have fled to Afghanistan, Pakistan, and some other Islamic countries. China has asked for their return but so far has had only limited success.

This sense of insecurity and uncertainty explains why China is showing caution in moving into Afghanistan for economic benefits. China does not seem to be ready for granting the Taliban government diplomatic recognition, given international pressures and the lack of transparency and inclusiveness of the new Kabul government.

In this sense, China is faced with both opportunities and challenges. What is more, less US presence in the Middle East may mean more US presence in the Asia-Pacific region that China does not want to see.

Thank you.