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Chinese Views, Strategy and Geopolitics

Introduction
Mr. Kaplan began by going over the basic facts about China: What is it? Where is it?

- South of 50° North latitude line
- Northern-most region, Manchuria, is at the same latitude as Maine
- Southern-most region, Hainan Island, is at the same latitude as the Florida Keys
- Basically, China is within in the same latitudes as the continental US states
- China is not like Russia, which is mostly north of the 50° North latitude, and is the coldest country on earth, but it is also not like Canada that is in the same latitudes
  - All of Canada’s major cities hug their southern border
  - All of Russia’s major cities are in the north of the country
  - Bottom line: the differences between China and Russia culturally and politically are profound and somewhat related to their latitudes
- Like the US, China is a continental country
  - China has 9,000 km coast line along some of the world’s busiest sea lines of communication (SLOCs) including the South and East China Seas (SCS / ECS)
  - Coastal waters range from temperate to sub-tropical zones
  - China also borders very cold Russia regions, which are rich in minerals, strategic metals, energy deposits, etc.

Importance of Geography to China
- 120 years ago Halford Mackinder, an English geographer, stated that China was well-suited to be a Great Power because of its geography
  - Said at a time when the country was falling apart – occupied by Western powers and suffering from warlordism
  - Was looking ahead at a country with geography that was much like that of the US
- In the 7th century China built a canal between the Yellow and Yangtze rivers, linking the regions that grew rice with those that grew wheat
This linking was the equivalent of the US connecting the East and West Coasts with the transcontinental railroad 1200 years later

**How Chinese Leaders See Their Geography – Two Visions**

- **The paranoid vision (i.e., when they are the most pessimistic):**
  - Looking at the map they see that they are surrounded by enemies even within their own boundaries
  - China must deal with many different ethnic groups
    - In the north Inner Mongolians and other non-Chinese ethnic groups
    - In the west there are Muslim Turkic Uighurs
    - In the southwest there are Tibetans who want independence
  - Minorities generally occupy the important uplands where water and rich mineral deposits are found
    - Much of the water needed by Chinese farmers comes from Tibet
      - Making the Dalai Lama a geopolitical as well as religious leader
    - Water is key to Bangladesh, northeast India, and much of China
    - Without “Greater Tibet” there would be only a rump China without enough water
  - Because of this vision Chinese leaders do not want lectures from the West about the need for more freedoms and democracy inside China
    - China saw what happened to the Soviet Union and Russia
    - Great fear: any expansion of rights would lead to violence
    - Unrest among western Muslim Uighurs has been increasing steadily over the last few years
    - Increasing freedoms would lead to more splits as seen in Europe
    - Expect to see more divisions within the majority Han people, too
  - Bottom line: Political liberalization in China equals Chaos, and the ruling elite will not allow it to occur

- **The non-paranoid view sees a China that is actually bigger than it appears on a map**
  - Manchuria on the Russian border has 100 million people
    - Just across the border, the Russian Far East has about 7 million people
      - That number will be dropping to about 5.4 million in the next 30-40 years because of Russia’s demographic problems
    - Area was controlled by China until the mid-19th century
    - Area lacks people but it does have timber, diamonds, gold, etc.
    - China could easily “colonize” the region in a corporate/commercial/demographic sense until it becomes a part of “Greater China”
  - Outer Mongolia (or Mongolia on the map) is just outside China’s own Inner Mongolia region
    - Grasslands, roads, mineral deposits are being exploited by China
    - China remembers when it was part of China during the Chin Dynasty
    - China would like to reclaim it as another part of “Greater China”
In the west, the former Soviet Central Asia has significant hydrocarbons deposits
  - China is already building roads, railroads, and pipelines from there to get access to those energy resources
China has a resource acquisition policy rather than a foreign policy
  - Very mercantile foreign policy meaning they will work with anyone who will supply them with the energy or minerals they need
China worries about having too much of their oil imports requiring ocean transport from the Persian Gulf across the Indian Ocean
  - Especially fear the closing of the Strait of Malacca
  - So China is always looking for alternative pathways for its energy needs
  - China also building a network of ports to ease its access to energy
    - Would allow option of bringing natural gas across Myanmar into south western China
China is bigger than it looks on the map because of its throw weight in Central Asia, Mongolia, the Russian Far East, etc.
China is, however, somewhat stymied by India
  - In Southeast Asia, China generally uses a divide and conquer strategy and deals individually with much weaker countries
  - Given India's location and population size (it will be the largest in the world soon), India is a dilemma for China
  - Also worry about India's increasing development of its military – especially its navy and air force
  - India, even without a formal alliance with the US, acts as a natural balancer against China
    - Probably better for the US not to have a strategic alliance with India but rather a more subtle, undeclared alliance
    - India may not be as dynamic as China, but in both, more things get done if the government is not involved
    - India is more politically resilient than China and it is unlikely to fall apart
      - India has been democratic since the 1940s
      - China's authoritarian regime could easily face legitimacy challenges
  - Bottom line: India is a crucial geopolitical player in the region
China sees big opportunities in the South China and East China seas as the map below illustrates
  - It is possible to explain China's interest in the South and East China seas by comparing the US interests in the Caribbean
  - Dutch-American geo-politician Nicholas J. Spykman (Wikipedia: “father of containment”) called the Caribbean crucial to Western Hemisphere
- Hemisphere not divided into North/South America but is actually divided by the Amazonian jungle
  - Jungle is the real barrier between north and south
  - North of the jungle (technically S. America) all the people really live along the Caribbean coastline in Venezuela, Guyana, etc.
  - Makes the Caribbean the geopolitical center piece of the hemisphere
- Spykman called the greater Caribbean the American Mediterranean since both seas are so central to their regions
  - Know from classical Greek and Roman history how central the Mediterranean was to the development of western civilization
- Bottom line: The South China Sea is the Asian Mediterranean because of its centrality to the whole Indo-Pacific region
What China Sees in the South China Sea

- Sees goals and opportunities just as a young US saw in the Caribbean from the early 19th through the early 20th centuries
  - Spans the time of the writing of the Monroe Doctrine through the building of the Panama Canal and Roosevelt’s Great White Fleet
  - US saw the Caribbean as a blue water extension of its landmass
  - US used control of the area to dominate the entire Western Hemisphere
    - Once that was done, the US had power to spare to use in Europe so that it could get involved in the World Wars and the Cold War
- Similarly, China sees the South China Sea as a blue-water extension of its landmass
  - When the US had acquired and consolidated control of its landmass of the lower 48 states, it could move on its blue-water extension
  - Similarly, China has gotten back Hong Kong, Macao, etc.
    - Before that it was busy consolidating after the time of the warlords and the western and Japanese invasions
    - China also survived time of Mao, which also helped unite the country
- China sees the SCS as blue national soil
  - Close to China but far from the US – equivalent to the 19th century US view of the Caribbean, which was far from Europe
  - Once China’s economy started to grow under Deng Xiaoping, then it, too, could move out beyond its landmass
- China bristles when it needs to acknowledge that the US Navy dominates the SCS
- China has energy disputes with SCS neighbors
  - Claims of great oil / natural gas deposits in the SCS are probably exaggerated
    - Sending oil rigs to work in the area is more about status and territory than about energy
  - Situation with the Philippines may be a little different
    - The only really poor country in the region
    - Philippines hopes that oil deposits will help them climb economically
  - Energy deposits in the SCS are large but not game-changing
- Bottom line: China’s interest in the SCS and ECS is more about status in a media-driven world and its geo-political ambitions
- China basically wants strategic parity with the US in the region without having to face a conflict with the US Navy and also wants to:
  - Be able to intimidate Vietnam, the Philippines, etc.
  - Dominate the region within what is called the 9-Dash Line or the Cow’s Tongue, which encloses the whole SCS region
  - Achieve this regional domination without a shooting war with the US Navy
  - Pursue mil-to-mil relations with the US to ensure clarity, which frees it up to be more aggressive with individual neighbors
- China can take two steps forward with provocative actions and then do one step back with diplomatic initiatives
  - Depending on where you are in the news cycle, could say China has backed off or surged ahead
• China’s view: likes the way domination of the Caribbean gave the US world power, so its domination of the SCS will also allow it to achieve world power
  o Strait of Malacca equals the Panama Canal in US geo-political growth
• China sees a great wall of unpleasant neighbors surrounding it and it would like to break through that wall

China’s Navy
• If it keeps developing as it has been, it will be the largest land-based navy ever
• It will include elements of land-based air, ballistic missiles, and cyber capabilities
  o Both missiles and ships require cyber to support their GPS-type systems
• What is holding back its naval development is lack of experience with coordination
  o On US SSNs, advanced destroyers, etc. the hundreds of crew members must be able to coordinate their activities
  o In carrier battle groups thousands must work together like a symphony orchestra
  o Takes decades to develop such coordination
  o China probably needs at least another generation to reach the US levels
• Since China is not ready to face the US Navy, it wants to avoid any conflict with it
  o In the meantime concentrating on its Anti-Access Area Denial capabilities, which won’t require it to be capable of defeating the US Navy
  o Such capabilities will have an effect on the decisions being made by people in the US Navy about where US ships can go, etc.
• Those who say that China can’t defeat the US Navy are using a WWII perspective
  o Need to look at related issues such as diplomacy, ship passage, intelligence collection, etc.

Taiwan
• China doesn’t want to fight Taiwan so it is planning an end-run around the US:
  o Aim lots of missiles at Taiwan
  o Grow the number and types of commercial ventures linking the economies
• The more China projects itself into the East and South China Seas, the more it strangles Taiwan
• If the day ever comes when the world elite believe that the US can no longer defend Taiwan, then power relationships will shift in the area
• In a similar period, Roosevelt (TR) was more concerned about keeping Germany out of the Caribbean than keeping the Spanish out despite the Spanish-American War
  o Spain was weak but Germany was strong
    • TR also wanted to get closer to Europe using subtle power
    • If TR had been elected president in 1912, the US probably would have gotten into WWI much sooner – changing 20th century history
  o Earlier, under the Monroe Doctrine, US wanted to keep Europe out of the Caribbean but cooperated with the British Navy to fight the slave trade there
• Bottom line: China wants to get the US out of the SCS while at the same time moving closer to the US diplomatically (on environmental issues, etc.)
  o China wants to dominate without fighting or getting into an accidental war
Main Points

• Learn by comparison
  o Similarities between America’s Mediterranean (the Caribbean) and China’s SCS Mediterranean are more compelling than are the dissimilarities
  o Asia is not about ideas or post-nationalism, but is about holding geography/territory with some robust late 19th century nationalism thrown in
    ▪ Japan, China, Vietnam, etc. have well-developed senses of nationalism since their populations largely come from single ethnic groups
    ▪ Leads them to a zero sum battle for territory

• Why is this aggressiveness happening now?
  o China: has moved beyond many of its internal struggles (Great Leap Forward, Cultural Revolution, economic programs from 1979 onward etc.)
  o Japan: after having been emasculated by pacifists after WWII, it is moving back toward nationalism
    ▪ Already deploys 4 times as many major warships as does the UK navy
  o Vietnam and Malaysia: no longer internally occupied with wars
  o Countries in the region are now generally at peace and all have been developing their economies over the last few years
    ▪ All now better institutionalized so can project their power outward
    ▪ Result: coming into conflict over who owns what

• A corollary: The success of capitalism over time leads to military acquisitions, not peace and harmony
  o If a country develops well, will trade more with outside world and have more contacts so will want to protect its interests with a military
  o As a country becomes richer, there will also be an element of status – other rich countries have strong militaries so it needs one also
    ▪ China started its major build-up in the mid-1990s after the US sent 2 carrier strike groups into / near the Taiwan Strait
    ▪ US did much the same thing after the Civil War when it quietly developed internally its institutions and economy
      ▪ So it was ready for the Spanish-American War and WWI
      ▪ Became a Great Power quietly; then slowly built a great navy, a well-equipped and organized army, etc.
      ▪ All a consequence of successful capitalism
  o Bottom line: China is not behaving as rogue state and it is not a terrorist state; it is a legitimate rising Great Power competitor to the US

• Obama’s Pivot to Asia
  o Was supposed to happen 25 years ago at the end of the Cold War
    ▪ US thought it was done with Europe’s problems and its major SLOCs were across the Pacific
  o Then Saddam invaded Kuwait followed by the no-fly zone activities, 9-11, Afghanistan, Iraq, etc.
  o So then the US discovered Asia – again
  o China was lucky that the US was tied down in the Middle East
Bottom line: the US Pivot to Asia is the product of the natural, organic process of US foreign diplomacy that should have happened years ago

- When talking about territorial disputes, not predicting a war; rather talking about a more crowded, nervous space
  - Example: Globalization requires container ships to transport consumer goods so there is a need to protect SLOCs
    - Chances of an accident or an incident happening are rising
    - Information is shrinking the world so territory is fought over more

- Don’t take Asian security for granted
  - The public sees Africa and the Middle East as war zones while seeing Asia as the place to go to for commerce
  - However, Asia is now also a place of great military acquisitions, especially of the hi tech sort (e.g., cyber, state of the art fighter jets, ballistic missiles, etc.)

- To see China’s ambitions, read the intellectual debates of its policy wonks
  - Lyle Goldstein does read these translations and claims that the sophistication of the debate are already at a level higher than that of the US
  - Chinese policy wonks don’t need to deal with liberal humanists who talk about humanitarian interventions nor with isolationists
    - They all want to be China’s Kissinger – all are realists
  - All debates are functional – how China will gain an advantage by its actions
    - It is all about China’s objectives and how to accomplish them

- Authoritarianism is always dismissed as bad / democracy always good to Americans
  - Americans believe that if the Chinese people could speak out, then all the problems would be overcome
  - However, China is acting aggressively in the SCS because the Chinese people are now speaking out more than they ever could before
    - In many authoritarian systems, the public is often more nationalistic than the leaders are
    - Example: Saudi Arabia is run by the worst possible group of leaders except for any other group that would run it
  - US has been lucky: for 30 years China has been run by a series of collegial, boring, pragmatic, enlightened authoritarians who have been predictable
    - Now China is moving to leaders who are less predictable and more charismatic and nationalistic

- The East China Sea is now both more and less dangerous for the US
  - China is facing off against Japan which could possibly defeat China, so it does not want to fight Japan
    - US would have a hard time keeping out of a struggle between them
  - US has similar ally agreements with the Philippines, but the relationship is not as strong since the US is closer psychologically to Japan
    - A first world economy / military, with many US forces stationed there
Biggest Question in Asia: Direction of the Chinese Economy

- First debate is about China’s strategy and naval activities in the SCS
  - Talked of primarily by those not well-versed in China’s economic situation because just looking at the military threat
- Second debate is how fragile China’s economy really is
  - Talked of primarily by those who don’t look at China’s military development
- Debates are linked
  - GDP growth rate at 14%; now reported as 7.5% but is probably closer to 6%
    - Greater growth rate is occurring now in the underdeveloped interior
    - GDP growth could go down to 3.9% by 2020
  - Some say that the entire economy could collapse – a possibility but not probable
- Most likely scenario: tumultuous social, economic, and possibly even political transition resulting from an increasingly lower GDP
  - If severe: China won’t be able to afford the naval capabilities it needs to pursue ambitions
  - More likely: China will become another troubled developing economy with more unrest than it has now
    - But China is a big enough and strong enough to absorb this unrest
    - Leadership will occasionally dial up nationalism to respond to the unrest resulting in more aggression in SCS and ECS
- Bottom line: The fate of the Chinese economy will determine China’s political and military behaviors in the SCS, and towards Russia, India, and others

QUESTION & ANSWER SESSION

Re: Predictions for 2049

- Caveat: As a journalist, learned that you can’t predict minute details about the near future events and can’t predict any details at all for the long term outlook
  - Best you can do is make people moderately less surprised about the future
  - So leery about making such far term predictions
- If China can find a way to get through its economic transition (not a crisis since the double-digit economy was bound to slow down), then China will be an equal competitor to the US as a Great Power
  - It will be a 10-year process but direction will be seen in about 5 years
- Russia can’t be a great power again– its declining population and geographic drawback of being that far north are problems that China does not have
- India could restrain China but it can’t be as forceful/coordinated with outside world
  - Because of its constitution and political development – despite a new geopolitically dynamic leader
- Expect that at some time in the future, India and China will be the most important countries in the world along with the US
Re: China’s Internal Problems

- Real challenge is in the western provinces with the Uighurs
  - Western border: a mid-19th century creation that put east Turkistan and Central Asia regions inside China where it once dominated the trade routes
- Permanent dominance of the Muslim areas will be difficult to achieve
  - Harder than reaching strategic parity with the US in the SCS
- US must stay between two extremes by not letting:
  - China “Finlandize” its neighbors the way the Soviets did, or
  - Letting China’s neighbors drag the US into their disputes with China

Re: Russian-Chinese-Indian Relations

- Russia and China could manage a tactical relationship but not a strategic one
  - Their border is thousands of miles long and they have trade sovereignty back and forth throughout history
  - China could use Russia as a source of energy and would probably get the best of the deal
- Russia will probably play China off against Japan
- In the Cold War India had to be closer diplomatically to Russia because it was closer to India and could more directly threaten India
  - India has all it can get out of Russian weaponry so it is trying to diversify its sources for weapons including now getting them from the US and Israel
- India will move closer to Japan, Australia, etc. to balance against China
  - Will also try to emulate China’s model of economic development and so will praise China
  - Expect to see cordial summits between India and China but also firm Indian balancing against China including bilateral military exercises with the US and others

Re: What the US Can Do about China

- US must find creative ways to impose costs for China’s aggressive maritime actions that will not lead to hostilities
  - Need better ways to intimidate China to not intimidate Vietnam, others
- China defines a navy differently from the West
  - US/West think of gray hulls in a navy
  - China considers everything from small fishing vessels through coast guard ships up to gray hulls as part of the navy
    - Uses coast guard vessels creatively in disputes over its SCS claims
    - Makes it harder for the US to intervene in disputes with the Philippines because it doesn’t have equivalent ships in the area
    - Also insults the Philippines indicating that they don’t even need their gray hulls to handle problems with the Philippines
Re: US Dismissal of the 9-Dash Line
- Basically will have no impact: China will keep doing things until it can't anymore
  - Actions could stop if there is some sort of internal (i.e., political, economic, etc.) upheaval that doesn't allow China to be that aggressive anymore
    - Will continue to make claims and do things to keep the US out of the area
- China's goals (status and geo-political ambition) dictate that it continue this way

Re: Chinese Aggression versus Russian Aggression
- China's acts of aggression in recent years have been more subtle than recent Russian efforts
  - Russia has sent soldiers in ski masks and AK-47s into Ukraine
  - China has sent “exploration rigs” into the SCS, moving them elsewhere after 6 weeks to make their point that they have the authority to do so
- China is playing the long game and doing so subtly
  - Concept: keep any news stories on only page 3 or 4 of world newspapers
  - Russia's moves get reported on page 1

Re: China’s Changes to the One-Child Policy
- Many analysts say that China will become old before it becomes rich
  - Hundreds of millions of Chinese still live in poverty
- Recent wealth has not flowed into the Muslim regions in the western areas
- Highest birthrates are in the minority areas
- Demographic changes take years to work themselves through the system

Re: Building a Canal across Thailand
- China would not do it alone
  - Many countries have reasons to want better sea connections in the region of the Bay of Bengal to the SCS
  - S. Korea, Japan, and China are all big energy customers for the Middle East and would be interested in such a project
- Global economic development is very slow now but could pick up
  - If it does pick up again, there will be increased need for shipping
  - At that time it might make more sense to start digging such a canal

Re: “Findlandization” of China’s Neighbors
- US will always be a Pacific power and has been since the mid-19th century
  - Countries there are the geographic heartland of world economy and SLOCs
  - Must have a stable East Asia for a stable world
- US keeps control with its navy by protecting the SLOCs world-wide and keeping piracy at the level of an exotic nuisance
- Keeping the SLOCs open helps prevent Finlandization
  - Finland in the Cold War was an independent, capable nation but the Soviets determined its foreign policy (didn’t join NATO)
- If same sort of arrangement occurred between China and its neighbors would see Chinese influence reach further into Indian Ocean and Middle East
Result: World would be more unstable because US and China would be on about equal footing in the Great Power matchup

Great deal of difference between world with 300 vs. 220 US warships

- Makes for a greater chance for incidents leading to inter-state warfare between China and Japan, China and India, etc.

Re: Association of Southeast Asian Nations (ASEAN)

- May be growing in significance but nowhere near that of NATO
- Not wholly democratic with big geo-political differences among the members
  - Some have a SCS focus but others like the Philippines do not
- Members show no proclivity to work together
  - Does not work as well as NATO and the EU
- China can easily divide and conquer the group by playing one member off against another

Re: The China-US Economic Embrace

- The fact that China owns such a great amount of the US debt makes the situation very different from any previous Great Power rivalries
- No others were ever connected in such a complex way

Re: Debt in China

- The problem in the direction of the Chinese economy is largely a debt problem
- Many different views among economists:
  - One view is that China has so many billions of dollars in reserves that it can absorb the problem
  - Another view is that China has the advantage of being an authoritarian system able to act quickly since it is not a democracy
  - But, there are no special economic rules for China
- **Bottom line for the talk:** It is an open question about what will happen with the Chinese economy and how much impact it will have on social/political unrest in China