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THE GEOPOLITICS OF CHINA:
A Great Power Enclosed

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THE GEOPOLITICS OF CHINA: A Great Power Enclosed

Contemporary China is an island. Although it is not surrounded by water (which borders only its eastern flank), China is bordered by terrain that is difficult to traverse in virtually any direction. There are some areas that can be traversed, but to understand China we must begin by visualizing the mountains, jungles and wastelands that enclose it. This outer shell both contains and protects China.

CHINA AS AN ISLAND



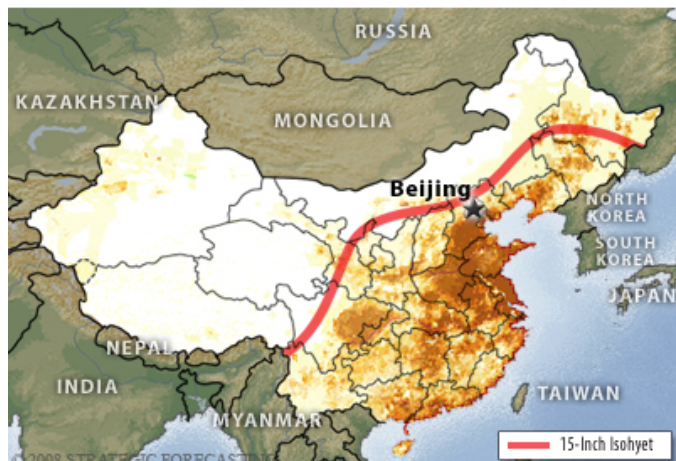
Internally, China must be divided into two parts: the Chinese heartland and the non-Chinese buffer regions surrounding it. There is a line in China called the 15-inch isohyet, east of which more than 15 inches of rain fall each year and west of which the annual rainfall is less. The vast majority of Chinese live east and south of this line, in the region known as Han China -- the Chinese heartland. The region is home to the ethnic Han, whom the world regards as the Chinese. It is

important to understand that more than a billion people live in this area, which is about half the size of the United States.

The Chinese heartland is divided into two parts, northern and southern, which in turn is represented by two main dialects, Mandarin in the north and Cantonese in the south. These dialects share a writing system but are almost mutually incomprehensible when spoken. The Chinese heartland is defined by two major rivers -- the Yellow River in the north and the Yangtze in the South, along with a third lesser river in the south, the Pearl. The heartland is China's agricultural region. However -- and this is the single most important fact about China -- it has about one-third the arable land per person as the rest of the world. This pressure has defined modern Chinese history -- both in terms of living with it and trying to move beyond it.

A ring of non-Han regions surround this heartland -- Tibet, Xinjiang province (home of the Muslim Uighurs), Inner Mongolia and what is commonly referred to as Manchuria (a historical name given to the region north of North Korea that now consists of the Chinese provinces of Heilongjiang, Jilin and Liaoning). These are the buffer regions that historically have been under Chinese rule when China was strong and have broken away

15-INCH ISOHYET AND CHINA POPULATION DENSITY



when China was weak. Today, there is a great deal of Han settlement in these regions, a cause of friction, but today Han China is strong.

These are also the regions where the historical threat to China originated. Han China is a region full of rivers and rain. It is therefore a land of farmers and merchants. The surrounding areas are the land of nomads and horsemen. In the 13th century, the Mongols under Ghenghis Khan invaded and occupied parts of Han China until the 15th century, when the Han reasserted their authority.

Following this period, Chinese strategy remained constant: the slow and systematic assertion of control over these outer regions in order to protect the Han from incursions by nomadic cavalry. This imperative drove Chinese foreign policy. In spite of the imbalance of population, or perhaps because of it, China saw itself as extremely vulnerable to military forces moving from the north and west. Defending a massed population of farmers against these forces was difficult. The easiest solution, the one the Chinese chose, was to reverse the order and impose themselves on their potential conquerors.

CHINA TERRAIN



There was another reason. Aside from providing buffers, these possessions provided defensible borders. With borderlands under their control, China was strongly anchored. Let's consider the nature of China's border sequentially, starting in the east along the southern border with Vietnam and Myanmar. The border with Vietnam is the only border readily traversable by large armies or mass commerce. In fact, as recently as 1979, China and Vietnam fought a

short border war, and there have been points in history when China has dominated Vietnam. However, the rest of the southern border where Yunnan province meets Laos and Myanmar is hilly jungle, difficult to traverse, with almost no major roads. Significant movement across this border is almost impossible. During World War II, the United States struggled to build the Burma Road to reach Yunnan and supply Chiang Kai-shek's forces. The effort was so difficult it became legendary. China is secure in this region.

Hkakabo Razi, almost 19,000 feet high, marks the border between China, Myanmar and India. At this point, China's southwestern frontier begins, anchored in the Himalayas. More precisely, it is where Tibet, controlled by China, borders India and the two Himalayan states, Nepal and Bhutan. This border runs in a long arc past Pakistan, Tajikistan and Kyrgyzstan, ending at Pik Pobedy, a 25,000-foot mountain marking the border with China, Kyrgyzstan and Kazakhstan. It is possible to pass through this border region with difficulty; historically, parts of it have been accessible as a merchant route. On the whole, however, the Himalayas are a barrier to substantial trade and certainly to military forces. India and China -- and China and much of Central Asia -- are sealed off from each other.

The one exception is the next section of the border, with Kazakhstan. This area is passable but has relatively little transport. As the transport expands, this will be the main route between China and the rest of Eurasia. It is the one land bridge from the Chinese island that can be used. The problem is distance. The border with Kazakhstan is almost a thousand miles from the first tier of Han Chinese provinces, and the route passes through sparsely populated Muslim territory, a region that has posed significant challenges to China. Importantly, the Silk Road from China ran through Xinjiang and Kazakhstan on its way west. It was the only way to go.

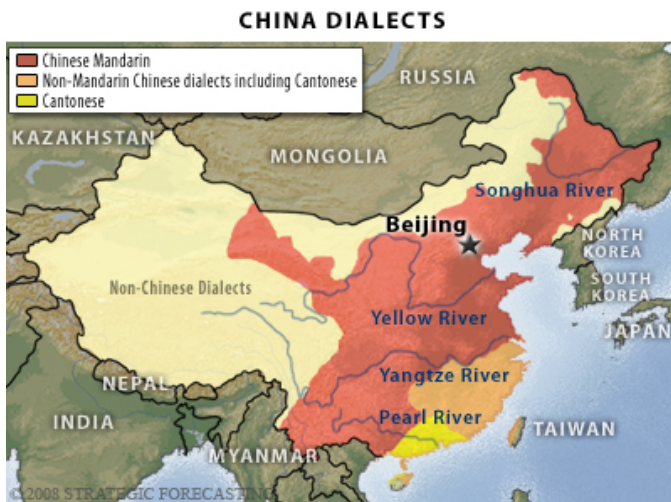
CHINA PROVINCES AND BUFFER REGIONS



There is, finally, the long northern border first with Mongolia and then with Russia, running to the Pacific. This border is certainly passable. Indeed, the only successful invasion of China took place when Mongol horsemen attacked from Mongolia, occupying a good deal of Han China. China's buffers -- Inner Mongolia and Manchuria -- have protected Han China from other attacks. The Chinese have not attacked northward for two reasons. First, there has historically not been much there worth taking. Second, north-south access is difficult. Russia has two rail lines running from the west to the Pacific -- the famous Trans-Siberian Railroad (TSR) and the Baikal-Amur Mainline (BAM), which connects those two cities and ties into the TSR. Aside from that, there is no east-west ground transportation linking Russia. There is also no north-south transportation. What appears accessible really is not.

The area in Russia that is most accessible from China is the region bordering the Pacific, the area from Russia's Vladivostok to Blagoveschensk. This region has reasonable transport, population and advantages for both sides. If there were ever a

conflict between China and Russia, this is the area that would be at the center of it. It is also the area, as you move southward and away from the Pacific, that borders on the Korean Peninsula, the area of China's last major military conflict.



Then there is the Pacific coast, which has numerous harbors and has historically had substantial coastal trade. It is interesting to note that, apart from the attempt by the Mongols to invade Japan, and a single major maritime thrust by China into the Indian Ocean -- primarily for trade and abandoned fairly quickly -- China has never been a maritime power. Prior to the 19th century, it had not faced enemies capable of posing a naval threat and, as a result, it had little interest in spending large sums of money on building a navy.

China, when it controls Tibet, Xinjiang, Inner Mongolia and Manchuria, is an insulated state. Han China has only one point of potential friction, in the southeast with Vietnam. Other than that it is surrounded by non-Han buffer regions that it has politically integrated into China. There is a second friction point in eastern Manchuria, touching on Siberia and Korea. There is, finally, a single opening into the rest of Eurasia on the Xinjiang-Kazakh border.

China's most vulnerable point, since the arrival of Europeans in the western Pacific in the mid-19th century, has been its coast. Apart from European encroachments in which commercial interests were backed up by limited force, China suffered its most significant military encounter -- and long and miserable war -- after the Japanese invaded and occupied large parts of eastern China along with Manchuria in the 1930s. Despite the mismatch in military power and more than a dozen years of war, Japan still could not force the Chinese government to capitulate. The simple fact was that Han China, given its size and population density, could not be subdued. No matter how many victories the Japanese won, they could not decisively defeat the Chinese.

China is hard to invade; given its size and population, it is even harder to occupy. This also makes it hard for the Chinese to invade others -- not utterly impossible, but quite difficult. Containing a fifth of the world's population, China can wall itself off from the world, as it did prior to the United Kingdom's forced entry in the 19th century and as it did under Mao Zedong. All of this means China is a great power, but one that has to behave very differently than other great powers.

China's Geopolitical Imperatives

China has three overriding geopolitical imperatives:

1. Maintain internal unity in the Han Chinese regions.
2. Maintain control of the buffer regions.

3. Protect the coast from foreign encroachment.

Maintaining Internal Unity

China is more enclosed than any other great power. The size of its population, coupled with its secure frontiers and relative abundance of resources, allows it to develop with minimal intercourse with the rest of the world, if it chooses. During the Maoist period, for example, China became an insular nation, driven primarily by internal interests and considerations, indifferent or hostile to the rest of the world. It was secure and, except for its involvement in the Korean War and its efforts to pacify restless buffer regions, was relatively peaceful. Internally, however, China underwent periodic, self-generated chaos.

The weakness of insularity for China is poverty. Given the ratio of arable land to population, a self-enclosed China is a poor China. Its population is so poor that economic development driven by domestic demand, no matter how limited it might be, is impossible. However, an isolated China is easier to manage by a central government. The great danger in China is a rupture within the Han Chinese nation. If that happens, if the central government weakens, the peripheral regions will spin off, and China will then be vulnerable to foreigners taking advantage of Chinese weakness.

For China to prosper, it has to engage in trade, exporting silk, silver and industrial products. Historically, land trade has not posed a problem for China. The Silk Road allowed foreign influences to come into China and the resulting wealth created a degree of instability. On the whole, however, it could be managed.

The dynamic of industrialism changed both the geography of Chinese trade and its consequences. In the mid-19th century, when Europe -- led by the British -- compelled the Chinese government to give trading concessions to the British, it opened a new chapter in Chinese history. For the first time, the Pacific coast was the interface with the world, not Central Asia. This, in turn, massively destabilized China.

As trade between China and the world intensified, the Chinese who were engaged in trading increased their wealth dramatically. Those in the coastal provinces of China, the region most deeply involved in trading, became relatively wealthy while the Chinese in the interior (not the buffer regions, which were always poor, but the non-coastal provinces of Han China) remained poor, subsistence farmers.

The central government was balanced between the divergent interests of coastal China and the interior. The coastal region, particularly its newly enriched leadership, had an interest in maintaining and intensifying relations with European powers and with the United States and Japan. The more intense the trade, the wealthier the coastal leadership and the greater the disparity between the regions. In due course, foreigners allied with Chinese coastal merchants and politicians became more powerful in the coastal regions than the central government. The worst geopolitical nightmare of China came true. China fragmented, breaking into regions, some increasingly under the control of foreigners, particularly foreign commercial interests. Beijing lost control over the country. It should be noted that this was the context in which Japan invaded China, which made Japan's failure to defeat China all the more extraordinary.

Mao's goal was threefold, Marxism aside. First, he wanted to recentralize China -- re-establishing Beijing as China's capital and political center. Second, he wanted to end the massive inequality between the coastal region and the rest of China. Third, he wanted to expel the foreigners from China. In short, he wanted to recreate a united Han China.

Mao first attempted to trigger an uprising in the cities in 1927 but failed because the coalition of Chinese interests and foreign powers was impossible to break. Instead he took the Long March to the interior of China, where he raised a massive peasant army that was both nationalist and egalitarian and, in 1948, returned to the coastal region and expelled the foreigners. Mao re-enclosed China, recentralized it, and accepted the inevitable result. China became equal but extraordinarily poor.

China's primary geopolitical issue is this: For it to develop it must engage in international trade. If it does that, it must use its coastal cities as an interface with the world. When that happens, the coastal cities and the surrounding region become increasingly wealthy. The influence of foreigners over this region increases and the interests of foreigners and the coastal Chinese converge and begin competing with the interests of the central government. China is constantly challenged by the problem of how to avoid this outcome while engaging in international trade.

Controlling the Buffer Regions

Prior to Mao's rise, with the central government weakened and Han China engaged simultaneously in war with Japan, civil war and regionalism, the center was not holding. While Manchuria was under Chinese control, Outer Mongolia was under Soviet control and extending its influence (Soviet power more than Marxist ideology) into Inner Mongolia, and Tibet and Xinjiang were drifting away.

At the same time that Mao was fighting the civil war, he was also laying the groundwork for taking control of the buffer regions. Interestingly, his first moves were designed to block Soviet interests in these regions. Mao moved to consolidate Chinese communist control over Manchuria and Inner Mongolia, effectively leveraging the Soviets out. Xinjiang had been under the control of a regional warlord, Yang Zengxin. Shortly after the end of the civil war, Mao moved to force him out and take over Xinjiang. Finally, in 1950 Mao moved against Tibet, which he secured in 1951.

The rapid-fire consolidation of the buffer regions gave Mao what all Chinese emperors sought, a China secure from invasion. Controlling Tibet meant that India could not move across the Himalayas and establish a secure base of operations on the Tibetan Plateau. There could be skirmishes in the Himalayas, but no one could push a multidivisional force across those mountains and keep it supplied. So long as Tibet was in Chinese hands, the Indians could live on the other side of the moon. Xinjiang, Inner Mongolia and Manchuria buffered China from the Soviet Union. Mao was more of a geopolitician than an ideologue. He did not trust the Soviets. With the buffer states in hand, they would not invade China. The distances, the poor transportation and the lack of resources meant that any Soviet invasion would run into massive logistical problems well before it reached Han China's populated regions, and become bogged down -- just as the Japanese had.

China had geopolitical issues with Vietnam, Pakistan and Afghanistan, neighboring states with which it shared a border, but the real problem for China would come in Manchuria or, more precisely, Korea. The Soviets, more than the Chinese, had

encouraged a North Korean invasion of South Korea. It is difficult to speculate on Joseph Stalin's thinking, but it worked out superbly for him. The United States intervened, defeated the North Korean Army and drove to the Yalu, the river border with China. The Chinese, seeing the well-armed and well-trained American force surge to its borders, decided that it had to block its advance and attacked south. What resulted was three years of brutal warfare in which the Chinese lost about a million men. From the Soviet point of view, fighting between China and the United States was the best thing imaginable. But from Stratfor's point of view, what it demonstrated was the sensitivity of the Chinese to any encroachment on their borderlands, their buffers, which represent the foundation of their national security.

Protecting the Coast

With the buffer regions under control, the coast is China's most vulnerable point, but its vulnerability is not to invasion. Given the Japanese example, no one has the interest or forces to try to invade mainland China, supply an army there and hope to win. Invasion is not a meaningful threat.

The coastal threat to China is economic, though most would not call it a threat. As we saw, the British intrusion into China culminated in the destabilization of the country, the virtual collapse of the central government and civil war. It was all caused by prosperity. Mao had solved the problem by sealing the coast of China off to any real development and liquidating the class that had collaborated with foreign business. For Mao, xenophobia was integral to national policy. He saw foreign presence as undermining the stability of China. He preferred impoverished unity to chaos. He also understood that, given China's population and geography, it could defend itself against potential attackers without an advanced military-industrial complex.

His successor, Deng Xiaoping, was heir to a powerful state in control of China and the buffer regions. He also felt under tremendous pressure politically to improve living standards, and he undoubtedly understood that technological gaps would eventually threaten Chinese national security. He took a historic gamble. He knew that China's economy could not develop on its own. China's internal demand for goods was too weak because the Chinese were too poor.

Deng gambled that he could open China to foreign investment and reorient the Chinese economy away from agriculture and heavy industry and toward export-oriented industries. By doing so he would increase living standards, import technology and train China's workforce. He was betting that the effort this time would not destabilize China, create massive tensions between the prosperous coastal provinces and the interior, foster regionalism or put the coastal regions under foreign control. Deng believed he could avoid all that by maintaining a strong central government, based on a loyal army and Communist Party apparatus. His successors have struggled to maintain that loyalty to the state and not to foreign investors, who can make individuals wealthy. That is the bet that is currently being played out.

China's Geopolitics and its Current Position

From a political and military standpoint, China has achieved its strategic goals. The buffer regions are intact and China faces no threat in Eurasia. It sees a Western attempt to force China out of Tibet as an attempt to undermine Chinese national security. For China, however, Tibet is a minor irritant; China has no possible

intention of leaving Tibet, the Tibetans cannot rise up and win, and no one is about to invade the region. Similarly, the Uighur Muslims represent an irritant in Xinjiang and not a direct threat. The Russians have no interest in or capability of invading China, and the Korean Peninsula does not represent a direct threat to the Chinese, certainly not one they could not handle.

The greatest military threat to China comes from the U.S. Navy. The Chinese have become highly dependent on seaborne trade and the U.S. Navy is in a position to blockade China's ports if it wished. Should the United States do that, it would cripple China. Therefore, China's primary military interest is to make such a blockade impossible.

It would take several generations for China to build a surface navy able to compete with the U.S. Navy. Simply training naval aviators to conduct carrier-based operations effectively would take decades -- at least until these trainees became admirals and captains. And this does not take into account the time it would take to build an aircraft carrier and carrier-capable aircraft and master the intricacies of carrier operations.

For China, the primary mission is to raise the price of a blockade so high that the Americans would not attempt it. The means for that would be land- and submarine-based-anti-ship missiles. The strategic solution is for China to construct a missile force sufficiently dispersed that it cannot be suppressed by the United States and with sufficient range to engage the United States at substantial distance, as far as the central Pacific.

This missile force would have to be able to identify and track potential targets to be effective. Therefore, if the Chinese are to pursue this strategy, they must also develop a space-based maritime reconnaissance system. These are the technologies that the Chinese are focusing on. Anti-ship missiles and space-based systems, including anti-satellite systems designed to blind the Americans, represent China's military counter to its only significant military threat.

China could also use those missiles to blockade Taiwan by interdicting ships going to and from the island. But the Chinese do not have the naval ability to land a sufficient amphibious force and sustain it in ground combat. Nor do they have the ability to establish air superiority over the Taiwan Strait. China might be able to harass Taiwan but it will not invade it. Missiles, satellites and submarines constitute China's naval strategy.

For China, the primary problem posed by Taiwan is naval. Taiwan is positioned in such a way that it can readily serve as an air and naval base that could isolate maritime movement between the South China Sea and the East China Sea, effectively leaving the northern Chinese coast and Shanghai isolated. When you consider the Ryukyu Islands that stretch from Taiwan to Japan and add them to this mix, a non-naval power could blockade the northern Chinese coast if it held Taiwan.

Taiwan would not be important to China unless it became actively hostile or allied with or occupied by a hostile power such as the United States. If that happened, its geographical position would pose an extremely serious problem for China. Taiwan is also an important symbolic issue to China and a way to rally nationalism. Although Taiwan presents no immediate threat, it does pose potential dangers that China cannot ignore.

There is one area in which China is being modestly expansionist -- Central Asia and particularly Kazakhstan. Traditionally a route for trading silk, Kazakhstan is now an area that can produce energy, badly needed by China's industry. The Chinese have been active in developing commercial relations with Kazakhstan and in developing roads into Kazakhstan. These roads are opening a trading route that allows oil to flow in one direction and industrial goods in another.

In doing this, the Chinese are challenging Russia's sphere of influence in the former Soviet Union. The Russians have been prepared to tolerate increased Chinese economic activity in the region while being wary of China's turning into a political power. Kazakhstan has been European Russia's historical buffer state against Chinese expansion and it has been under Russian domination. This region must be watched carefully. If Russia begins to feel that China is becoming too assertive in this region, it could respond militarily to Chinese economic power.

Chinese-Russian relations have historically been complex. Before World War II, the Soviets attempted to manipulate Chinese politics. After World War II, relations between the Soviet Union and China were never as good as some thought, and sometimes these relations became directly hostile, as in 1968, when Russian and Chinese troops fought a battle along the Ussuri River. The Russians have historically feared a Chinese move into their Pacific maritime provinces. The Chinese have feared a Russian move into Manchuria and beyond.

Neither of these things happened because the logistical challenges involved were enormous and neither had an appetite for the risk of fighting the other. We would think that this caution will prevail under current circumstances. However, growing Chinese influence in Kazakhstan is not a minor matter for the Russians, who may choose to contest China there. If they do, and it becomes a serious matter, the secondary pressure point for both sides would be in the Pacific region, complicated by proximity to Korea.

But these are only theoretical possibilities. The threat of an American blockade on China's coast, of using Taiwan to isolate northern China, of conflict over Kazakhstan -- all are possibilities that the Chinese must take into account as they plan for the worst. In fact, the United States does not have an interest in blockading China and the Chinese and Russians are not going to escalate competition over Kazakhstan.

China does not have a military-based geopolitical problem. It is in its traditional strong position, physically secure as it holds its buffer regions. It has achieved its three strategic imperatives. What is most vulnerable at this point is its first imperative: the unity of Han China. That is not threatened militarily. Rather, the threat to it is economic.

Economic Dimensions of Chinese Geopolitics

The problem of China, rooted in geopolitics, is economic and it presents itself in two ways. The first is simple. China has an export-oriented economy. It is in a position of dependency. No matter how large its currency reserves or how advanced its technology or how cheap its labor force, China depends on the willingness and ability of other countries to import its goods -- as well as the ability to physically ship them. Any disruption of this flow has a direct effect on the Chinese economy.

The primary reason other countries buy Chinese goods is price. They are cheaper because of wage differentials. Should China lose that advantage to other nations or for other reasons, its ability to export would decline. Today, for example, as energy prices rise, the cost of production rises and the relative importance of the wage differential decreases. At a certain point, as China's trading partners see it, the value of Chinese imports relative to the political cost of closing down their factories will shift.

And all of this is outside of China's control. China cannot control the world price of oil. It can cut into its cash reserves to subsidize those prices for manufacturers but that would essentially be transferring money back to consuming nations. It can control rising wages by imposing price controls, but that would cause internal instability. The center of gravity of China is that it has become the industrial workshop of the world and, as such, it is totally dependent on the world to keep buying its goods rather than someone else's goods.

There are other issues for China, ranging from a dysfunctional financial system to farmland being taken out of production for factories. These are all significant and add to the story. But in geopolitics we look for the center of gravity, and for China the center of gravity is that the more effective it becomes at exporting, the more of a hostage it becomes to its customers. Some observers have warned that China might take its money out of American banks. Unlikely, but assume it did. What would China do without the United States as a customer?

China has placed itself in a position where it has to keep its customers happy. It struggles against this reality daily, but the fact is that the rest of the world is far less dependent on China's exports than China is dependent on the rest of the world.

Which brings us to the second, even more serious part of China's economic problem. The first geopolitical imperative of China is to ensure the unity of Han China. The third is to protect the coast. Deng's bet was that he could open the coast without disrupting the unity of Han China. As in the 19th century, the coastal region has become wealthy. The interior has remained extraordinarily poor. The coastal region is deeply enmeshed in the global economy. The interior is not. Beijing is once again balancing between the coast and the interior.

The interests of the coastal region and the interests of importers and investors are closely tied to each other. Beijing's interest is in maintaining internal stability. As pressures grow, it will seek to increase its control of the political and economic life of the coast. The interest of the interior is to have money transferred to it from the coast. The interest of the coast is to hold on to its money. Beijing will try to satisfy both, without letting China break apart and without resorting to Mao's draconian measures. But the worse the international economic situation becomes the less demand there will be for Chinese products and the less room there will be for China to maneuver.

The second part of the problem derives from the first. Assuming that the global economy does not decline now, it will at some point. When it does, and Chinese exports fall dramatically, Beijing will have to balance between an interior hungry for money and a coastal region that is hurting badly. It is important to remember that something like 900 million Chinese live in the interior while only about 400 million live in the coastal region. When it comes to balancing power, the interior is the physical threat to the regime while the coast destabilizes the distribution of wealth.

The interior has mass on its side. The coast has the international trading system on its. Emperors have stumbled over less.

Conclusion

Geopolitics is based on geography and politics. Politics is built on two foundations: military and economic. The two interact and support each other but are ultimately distinct. For China, securing its buffer regions generally eliminates military problems. What problems are left for China are long-term issues concerning northeastern Manchuria and the balance of power in the Pacific.

China's geopolitical problem is economic. Its first geopolitical imperative, maintain the unity of Han China, and its third, protect the coast, are both more deeply affected by economic considerations than military ones. Its internal and external political problems flow from economics. The dramatic economic development of the last generation has been ruthlessly geographic. This development has benefited the coast and left the interior -- the vast majority of Chinese -- behind. It has also left China vulnerable to global economic forces that it cannot control and cannot accommodate. This is not new in Chinese history, but its usual resolution is in regionalism and the weakening of the central government. Deng's gamble is being played out by his successors. He dealt the hand. They have to play it.

The question on the table is whether the economic basis of China is a foundation or a balancing act. If the former, it can last a long time. If the latter, everyone falls down eventually. There appears to be little evidence that it is a foundation. It excludes most of the Chinese from the game, people who are making less than \$100 a month. That is a balancing act and it threatens the first geopolitical imperative of China: protecting the unity of the Han Chinese.

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