



# China's Search for Security

Public Affairs

Andrew J. Nathan

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## Introduction

**JOANNE MYERS:** Good morning. I'm Joanne Myers, and on behalf of the Carnegie Council I'd like to thank you all for joining us this morning.

Our speaker is Andy Nathan. He is an old friend of the Carnegie Council, so I'm delighted to welcome him back to this forum.

As one of our country's most widely respected China scholars, whenever Andy writes or speaks about Chinese politics or American policy towards China, his remarks are always worth paying close attention to.

Today he will be talking about a new book he co-wrote with [Andrew Scobell](#), a senior political analyst at the Rand Corporation, entitled *China's Search for Security*. In it, they address a broad range of foreign policy issues. But what makes this book unique is that the approach taken is one which analyzes the world as Beijing policymakers analyze it, seeing their insecurities as they see them, while also providing a blueprint for the future.

In recent years, the rise of China—its economic vitality, its drive to upgrade its military, its increasing influence over its neighbors, and its growing prominence in global governance institutions—has inspired a proliferation of books, articles, and discussion, all seeking to explain, analyze, and predict Chinese behavior. While these publications are often interesting, they rarely, if ever, ask what Chinese policymakers themselves actually perceive as threats to their country or motivate them to make the decisions that they do.

In *China's Search for Security*, Andy analyzes China's security concerns on four fronts: at home, with its immediate neighbors and surrounding regional systems, and in the world beyond Asia. By illuminating the issues driving Chinese policy, he offers a new perspective on the country's rise in a different context and how we should approach the balancing of Chinese and American interests in Asia.

It is generally agreed that in the coming years the most important international political developments are likely to happen in Asia, and China will be key. Its relationship will not only be complex, but our continued engagement with Beijing will be critical to managing the security and economic issues of the 21st century. In recognition of this, the [Obama administration](#) has already begun a pivot to an Asian-Pacific policy, arguing that in doing so it is simply a logical modification towards the region in light of Asia's stunning economic growth and the increasing importance of maintaining U.S. interests

there.

Having a better understanding, then, about how China's views its security concerns might actually help us in formulating an improved, less confrontational policy to this region. The blueprint Andy offers could hold the keys to unlocking this Chinese puzzle and make all the difference in averting unnecessary confrontations while also producing mutually beneficial outcomes in Asia and throughout the world.

To get us moving in the right direction, please join me in giving a very warm welcome to our speaker Andy Nathan.

## Remarks

**ANDREW NATHAN:** Thank you, Joanne.

I think I'll solicit Joanne to write a review of the book. What she says exactly reflects what we want to say in the book.

We do try to look at the world from Beijing's point of view, and we see a very challenging environment for Beijing. In the book, we talk about this challenging environment by describing what we call four rings of security concerns. From time to time, it is helpful to compare and contrast Beijing's security concerns with those that policymakers in the United States have to deal with.

The first ring of Beijing's security concerns is inside the territory of the People's Republic of China [PRC]. We don't face very severe security concerns in the United States within our borders. We have issues of migration, of potential vulnerability to terrorism, and recently cyber-security has emerged as an American domestic issue. But Beijing's security concerns within the first ring are much more challenging. You can think of them in two big hunks.

One is the demographic heartland of China, where most of the Chinese people live who are of the Han ethnic group, 94 percent of the Chinese population. In that main part of China, there is a great deal of turbulence. As society modernizes, expectations rise, economic polarization increases, and there are environmental challenges and water challenges. The ideology has lost its credibility. People are believing more and more in religion. People are demanding more from the government. So there is constant turbulence in this Han heartland that the security apparatus has to manage.

As you know, the Chinese security apparatus is very big, well-staffed, teched-up. It tries to control, and to some significant degree still has succeeded in controlling, the Internet and social media. It tries to deal with public demonstrations by a combination of repression and targeted selective concessions to people. So that's a big part of the security agenda that in the United States is really much, much less.

In the Chinese case, even that piece of the security agenda is closely connected to foreign policy, because there are many foreign actors who are trying to influence the development of Chinese society: the human rights movement, foreign governments who promote the idea of human rights in China; the flow of foreign legal firms who are trying to tell the Chinese how they should develop their legal system; the international financial system and trading system that are trying to influence how things happen in China. So China is very penetrated, and a lot of outside actors have a concern with how China will evolve in a way that, again, is not true in the United States, where we don't feel that outside actors are exerting a big influence on how our society will evolve.

Then, the second part of the first ring is the national minority areas, which include of course Tibet—not only the Tibet Autonomous Region [TAR] that you see on the map, but those other parts of surrounding provinces around the Tibet Autonomous Region where there are a lot of Tibetan people living. It's actually in those Tibetan demographic regions outside of the TAR where these [self-immolations](#) have been taking place. So the Tibet problem is even bigger than the footprint of this thing called Tibet on the map.

Then there is Xinjiang, where the Uyghur people and some other minority peoples live and where there is a lot of resistance to Chinese rule.

And there are some other less urgent but still significant security issues in other national minority areas like, for example, the Inner Mongolian Autonomous Region. Although the Mongolian people are a minority in that region because of Han immigration, they are not completely loyal to the civic identity of being a PRC citizen.

On the Korean border, there is a Korean minority that thinks of itself really as Korean rather than Chinese. They provide a social environment where refugees from North Korea can oftentimes successfully hide out.

There are other minority groups on the southwestern borders of China, as well, whose loyalty to the concept of the PRC is not 100 percent.

In terms of consolidating control over their own territory, the PRC government has military control and coercive control over these areas of their territory, but they don't really have the buy-in of all of these populations. The areas that are problematic are both vast and strategically important, because they are on various borders of the country, and have something to do with China's relations with surrounding countries.

Again, the foreign factor is important in all these areas. Each of these populations has a cross-border population in some neighboring state, and there is the possibility, and oftentimes the reality, of neighboring states using those cross-border populations to destabilize China. I say the possibility or the reality because in the case, for example, of the Uyghurs, China has achieved the buy-in of the neighboring central Asian states through the [Shanghai Cooperation Organisation](#). In those neighboring states—Kazakhstan and Kyrgyzstan—they won't allow their resident Uyghur populations to assist the Uyghur movement inside of Xinjiang. Of course there is some leakage there, but basically those neighboring states are cooperating.

But when you look at Tibet, it's a different picture. The Indians provide a sanctuary for the [Dalai Lama](#) and his government and his exile population. The policy of the Indian government has a lot of nuance to it because they recognize Chinese rule over Tibet. But the bottom line of it is that they do allow the Dalai Lama to operate from Indian soil. This is very destabilizing for Chinese rule over Tibet.

All of these first-ring problems have international dimensions. They are part of foreign policy.

The second ring that China has to deal with is two dozen surrounding countries, where the United States has only two. Among those 24 countries, most of them are really problematic for Beijing.

None of them is really a Chinese culture society that automatically likes China. None of them feels comfortable with the rise of China. None of them trusts China. Some of them are very, very large and powerful militarily and have histories of conflict with China. Oftentimes that conflict is determined by

geographic reality.

So you think about looking around the periphery of China, and there is Russia, which is a huge country that has always been very, very suspicious of China. It's a completely different culture, different ethnicity, different view of the world. The Russians are almost paranoid about the fact that you have this vast Chinese population on the borders of the underpopulated Soviet Far East. Although China-Russia relations are very stable now and in many areas cooperative, they are fundamentally distrustful of each other.

Then you have Japan, which has a bad history with China and which has its own security anxieties in which China figures as a major anxiety. So it is very difficult for China and Japan to get along.

You have a country like Vietnam, which historically is very suspicious of China. There's India, and then the smaller countries around the border are also very difficult. A country like Burma, for example, is so complex and always tries to retain its independence by balancing among different foreign relations that it may have. Mongolia is suspicious of China.

Without going through the whole list of 24 countries, they are all difficult, and each one presents a kind of unique management problem for Chinese security. Each one of them, if you think about it, presents a potential threat to some aspect of Chinese security.

The third ring that we talk about is comprised—it gets more and more complicated—of six regional systems. So each of the 24 countries around China's borders is itself embedded in some complex regional system that includes other countries.

For example, the Northeast Asian regional system nowadays pivots around the troubles of the Korean Peninsula. China has a lot at stake in the way in which the Korean problem evolves. It cannot deal singly with the Korean problem. So when the United States has to deal with a country like Mexico, for example, it pretty much just has to deal bilaterally with Mexico. When China wants to deal with North Korea or with South Korea, whichever one—let's say North Korea—it has to consider the interests and try to juggle and manage the interests there of Russia, South Korea, Japan, and the United States.

One of the "funny things" that you notice as you go around all of these regional systems is that the United States is a major actor in each of them. So in Northeast Asia it is as I just described, and the United States is very much a major actor there.

We divide Southeast Asia into two spheres: continental Southeast Asia, which is Vietnam, Cambodia, Laos, and Burma; and maritime Southeast Asia, which is Vietnam again, Malaysia, Singapore, Indonesia, Brunei, and the Philippines. Of course there are times when those two regional systems come together in the 10-nation ASEAN [Association of South-East Asian Nations] grouping.

Every issue that is important to China in this area, the United States is again a major factor: the [South China Sea issue](#), China's relations with the Philippines, China's relations with Vietnam, with Cambodia, with Burma. Every place that they look, they find that not only are there multiple countries that are jostling, and sometimes ganging up on China, as in the case of South China Sea issues. The ASEAN states have pretty much joined together to try to force China into multilateral discussions over South China Sea issues. Not only do they have to juggle with multiple states, but in each case they also have to try to deal with American interests and American activism in all of these issues.

The fourth regional system is that of South Asia, which includes India, Pakistan, Sri Lanka,

Bangladesh, and Nepal. The big elephant for China really is the Pakistan-India relationship. Pakistan has been, since the 1950s, a major strategic asset of China, not because China cares so much about Pakistan or has any important economic interests in Pakistan, but because India, starting in the 1950s, aligned itself with the Soviet Union when China was at odds with the Soviet Union. China found the relationship with Pakistan was helpful to try to help it bring pressure to bear on India. This Pakistan relationship has been valuable to China continuously for that kind of reason.

But Pakistan is a very difficult country for any outsider to deal with, and India has a resolutely independent foreign policy of its own. This regional system is highly complex as well. So the Chinese have to manage that.

Then there is Central Asia, where China has important interests connected to the stability of Xinjiang and connected to oil and gas supplies, but has to tread carefully lest it arouse the suspicion of Russia, which considers Central Asia to be where it is indeed, an historic zone of Russian predominance.

Then we talk about in the book the fourth ring, which is the rest of the world, which is actually a lot of the world, because the first three rings, big as they are and complex as they are, basically just involve Asia.

For most of its history, the People's Republic of China didn't have much of a policy beyond Asia. It had some engagement in Africa, where it used pro-Beijing communist parties to make trouble for pro-Soviet communist parties as part of the Sino-Soviet dispute. It had some interests in East Europe, where it again supported governments that were making trouble for the Soviet Union.

But China didn't really have a policy outside of Asia until really the 1990s, when it plunged so deeply into the global economy and began to have economic interests all around the world, especially pertaining to commodity supplies—oil, copper, soybeans, and all these things. As China began to suck up a lot of world commodities, it began to have interests in the Middle East, in Africa, in Latin America, and it needed to have a foreign policy to go along with those interests.

What it finds in this fourth ring, in general, is that it needs to be friends with any government that comes to power, whether it's the Sudan regime or the Iranian regime, because it has to protect its economic interests in these countries. That's its general orientation in the fourth ring.

We argue against those who have a nightmare that China will be somehow be putting major military forces into Africa or the Middle East or Latin America and really challenge American and European preeminence in these areas in the security dimension. Anything could happen in hundreds of years or in the indefinite future, but for the foreseeable future we think China's interests in the fourth ring are predominantly economic, together with certain important diplomatic concerns that may look a little bit small to us but are large to Beijing—and those are Taiwan and Tibet.

The Chinese foreign ministry has to make sure that all these 193 governments around the world understand the Taiwan issue, which is an issue that's hard to understand. Since Taiwan itself has a lot of economic relations with many of these governments and is continuously trying to win yardage in the diplomatic game around the world, Beijing has to make sure that all of these understaffed foreign ministries in all of these small countries really pay attention to Beijing's position on Taiwan and on the Dalai Lama. In those places where the government is tempted to offer a visa to the Dalai Lama, Beijing has to do a lot of work to make sure that that doesn't happen.

That's our general perspective in the book. We see China as more vulnerable. It is a rising power,

but when people talk about the "China threat" or how China will rule the world and things like that, which is the title of a book by [Martin Jacques](#) [*When China Rules the World*], we think they are looking at China too much from the outside.

It's true that Chinese power has vastly increased. But at the same time, the security challenges that China faces are very, very large. So we think that for the foreseeable future China is not going to rule the world, and it is not going to present a fundamental threat to American interests.

Now, this doesn't preclude friction between China and the United States as China's power position changes. We don't know how the U.S. power position is going to change. People say, "You're a political scientist. Who's going to win the American election?" or, "What is American strategy?" I say, "I don't know. I'm a China specialist. American politics is too complicated for me to understand." [Laughter]

But we truly don't know whether the United States is in decline. I tell my students we've had this declinism debate many times in the United States. We had it in the 1970s. We had it in the 1980s. Japan was going to rule the world. Before that the Soviet Union was going to rule the world. That doesn't mean that this time it isn't true. But it's a very familiar debate.

As long as the United States doesn't drastically decline, it will still be there in Asia. American interests in Asia will continue to be great. China will want to recalibrate its relationship because of these issues that I've mentioned, and so there will be friction.

I want to talk briefly about how this perspective would apply to some of the issues that are in the headlines today as I see it, starting with the [Senkaku dispute/Diaoyutai dispute](#) between China and Japan.

My reading of Chinese strategy in this situation is that when the Japanese government purchased the islands in order to prevent [Ishihara](#), the nationalist governor of Tokyo, from purchasing them, the Japanese government did that to head off a crisis with China. Beijing understood that perfectly well but took the opportunity to make it a crisis, out of the following calculation: that Beijing believed, and continues to believe, that, for all the noise and fury in Tokyo, Japan fundamentally lacks political will for a sustained conflict over the Senkakus or for a military clash over the Senkakus. They estimate that the United States lacks political will for a military conflict over the Senkakus.

The Chinese are not seeking a military conflict. I believe they would run a great risk, if that conflict occurred, of actually losing, because the Japanese coast guard and navy are actually very, very competent.

But Beijing believes that if they create tension around the Senkakus by what they have been doing, by sending ships and planes to and into the territory that Japan defines as its territory, they will grind down the American and Japanese opposition to the point where they will gain a recognition that there is a territorial dispute over the Senkaku Islands. That dispute then will be on the books as a dispute and ready at some later point to be negotiated or resolved in some way so that the Chinese can gain more than they had before.

I think their reason for doing this is that they consider the territorial control over the Senkakus to be of high value. When people say it's just nationalism, I don't agree with that. I think that it is of high economic and strategic value to them for the fishery resources, for the undersea oil resources, and perhaps especially for the ability of China's growing navy to freely navigate beyond what they call the first island chain and to gain a doorway for what is a long-term necessity for them for their security, to

be able to put significant naval forces freely out into the western Pacific.

I think it's a long-term game plan. They chose their moment when they estimated that the other side was not going to be able to be strong enough to prevent the Chinese side from gaining something. That calculation may very well be correct, because it is true that both the Americans and the Japanese are extremely reluctant to use military force in this situation. The Americans are committed by treaty to defend Japan, including this piece of territory, if a clash occurs. But the United States has been urging both sides to cool it, which makes sense. But it shows that the United States is not anxious for a fight. On the Japanese side, of course we have the new [Abe](#) administration, which sounds nationalistic and sounds strong, but, like all Japanese administrations, it has a very shaky domestic base.

So I think that's the Chinese calculation, and I kind of suspect that their calculation will come out successful after twists and turns that will occur.

Their strategy in the South China Sea I think is quite similar. The South China Sea area is really important to them economically and strategically and they are intent on not necessarily gaining sovereignty over the entire territory to which they have indicated a claim—the famous "nine dotted lines" of the entire South China Sea—but to as much of it as they can possibly get from a bunch of governments that they view as relatively weak, starting with the Philippines, which is extremely weak.

In the case of the Philippines, you have seen the Chinese strategy already pay off, which is that they recently sent ships into this Macclesfield Bank and the Philippine navy said, "Get out." The Chinese ships stayed, and the Philippine navy finally pulled out, and the Chinese boats are actually there. Now, this is territory close to the Philippines.

However, the Chinese actually do have in each case at least the shadow of some kind of legitimate claim to each of these land features in the South China Sea. I don't think anybody can say who's "right" and who's "wrong" in these instances of maritime territorial claims. The [UN Convention on the Law of the Sea](#) provides for many different ways that you can claim land forms in the sea, and China has some kind of claim to each of these land forms. But in the case of the Philippines, basically the Chinese came out with de facto control over this contested land feature that's quite near to the Philippines.

Now, Vietnam is a different picture. It's a much tougher adversary. The situation may not change much in the near future with respect to the Spratlys, which is where China and Vietnam chiefly have their territorial [dispute](#).

But here I think the strategy is to confront the United States, which inserted itself into this dispute by [Hillary Clinton](#)—I support what she did, but I'm presenting the Chinese point of view here—when she said that the United States has an interest in freedom of navigation in the South China Sea. The Chinese felt that they needed to back the United States out of this situation, again, so that they could get back to dealing with the Southeast Asian interlocutors in the situation. I think they believe that the United States won't stick to enforcing its position in the South China Sea because of the budget pressures on the U.S. military and, as they see it, the overextended position of the United States globally.

Those are a couple of examples of how I see China trying to improve its security position step by step around its periphery, leading to friction with the United States and its allies, that will require some re-equilibration of relations between the two sides.



Now, it may sound contradictory, but I support the Obama policy of what they call "pivot" or "rebalancing" to Asia, because although we need to know what Chinese security interests and calculations are, we have to respond by reinforcing American—reasserting, if you will—U.S. security interests in the region as well. It is through a process of friction like this that I think the two sides will, I hope, find their way toward a balance that each can accept. This will require a process. It will require a great deal of dialogue, a great deal of understanding on each side of what the other one's security interests are.

## Questions

**QUESTION:** Craig Charney of Charney Research.

Andy, thank you for a masterful exposé. But I want to take up really where you left off. I would like to challenge the reasonableness of the Chinese view on some of these points.

It seems to me you could argue that they are really miscalculating the likelihood of responses. With Japan, there is a real risk of escalating military tensions, which could draw in the United States. Then in Vietnam we have an adversary who has demonstrated its willingness to fight China in the past. Even in the Philippines, there may come a point where the squishy, soft Philippine government feels the need to draw a line in the sea. Already we have seen the fact that the ASEAN countries have drawn closer to the United States as a result of greater Chinese belligerency, and the election of the most nationalist Chinese government in years, and the first in decades to raise the military budget.

So I guess the question I would ask is: While the Chinese have economic and diplomatic interests, and also may be impelled by nationalism, aren't they risking dangerous miscalculations?

**ANDREW NATHAN:** It's a good question.

The Chinese strategy is not without risk. You know, if you are going to try to change your relative position vis-à-vis other actors, they are going to resist. I'm not sure that China will always succeed in these strategies that I am describing. It may not. It has reinforced the welcome by the Southeast Asians and the Japanese for the American position in Asia.

I don't think China can get everything that they are aiming for. So it is very open as to whether their strategy will succeed or not.

I think, however, that until Chinese security concerns are recognized, the struggle will keep going; China will continue to try to improve its security position. It's a constantly shifting game on many, many different game boards at once.

For example, with the North Korean situation, it's kind of a lose-lose situation for China. They fear the collapse of the North Korean regime, the influx of refugees and that the collapse of North Korea will lead to an expansion of the American security footprint into the northern part of the Korean Peninsula. But at the same time, by not stopping North Korea from building the nuclear weapon, they are doing what you described, driving Japan toward perhaps building a nuclear weapon, and Japan and other countries in the region, Japan and South Korea, toward cooperation, and all of these countries toward closer cooperation with the United States. It almost creates a suction for the U.S. position in Asia instead of driving the United States out of Asia.

I agree it's a very risky strategy for China.



Now, in some places they have really succeeded, like in Central Asia so far. By building the Shanghai Cooperation Organisation, they have achieved a state of affairs in which the central Asian countries and Russia understand and defer to China's core security interest, which is Xinjiang. But that's an unstable situation because those Central Asian regimes are unstable. So it can always go backward.

So I think you are right, there is that risk.

**QUESTION:** Allen Young.

To what extent do you think there is a risk, if the Chinese economy begins to slow down, that the Chinese leadership will try to play the nationalist card, they will try to arouse nationalist passions in China, which makes China more aggressive and presents greater risks to its neighbors and also the United States?

**ANDREW NATHAN:** There is a debate among China analysts about whether nationalism is driving the leadership to do some of these things or whether the leadership is in control and can turn nationalism on and off as it needs it to send a signal to other countries.

I think it is in my view more the latter, that the nationalism exists; it's not that it is fake. But, because of the control over the media, the Internet, the police, the government can allow nationalism to be expressed or they can allow demonstrations or they can shut these things down.

Now, if they run into serious economic problems and they are desperate to cling to power, I agree with you that they might ramp up nationalism as a way of convincing people that this is a good government. I think they have used their foreign policy successes, many of which are real, partly to legitimize themselves. Today I think the legitimacy of the government is partly economic growth and partly that China has stood up, China is recognized now as a great power in the world, foreign leaders come and pay tribute to them, that kind of a thing.

But whether it would then make sense for them to strike out militarily, which is the implication of your question, in order to gain more points, the trouble is then you might lose that power.

Who are they going to have a war with that they can win? I think if China picks a battle with Japan, as I said before, there is a huge risk of losing that battle, and that would be highly counterproductive from a legitimacy point of view for the government. If they pick a battle with Taiwan and the United States gets involved, then they may lose. I think losing an armed conflict outside the borders of China would be a quick way for the regime to commit suicide.

**QUESTION:** Ron Berenbeim.

Can you comment on the impact or the influence of China's growing energy needs on its global policy, particularly in the Middle East, central Asia, maybe even Brazil?

**ANDREW NATHAN:** And there are also natural gas and coal imports from Australia. China faces an energy security problem, which is partly about the need to import—that is, dependency on outside supply—and it is partly about the fact that their lines of supply could be interrupted by the United States in a war.

Not that a U.S.-China war is imminent or anything, but when you are looking to secure your economy, you have to think about whether somebody could interdict your supplies. The United

States totally has that capability at this point to interdict Chinese supplies, whether by pipeline or by sea.

But at this point they really don't have anything they can do about the interdiction threat, other than to continue to build up their navy, which is a long-term project, and to try to diversify the sources by building pipelines—a pipeline that they want to build across Burma, so that the oil that would go through that pipeline wouldn't have to go through the Strait of Malacca and the South China Sea, or a pipeline that they want to build through Pakistan that wouldn't have to travel that oil through the Indian Ocean. So this is a partial measure.

But in those places that are their main sources of supply, which are Angola, Sudan, Venezuela, Iran, Saudi Arabia, and Russia, the Chinese have major interests to defend in what are often very turbulent political situations, like in Sudan. I don't think the Chinese are in favor of **genocide** particularly or care much one way or the other about the **ruler** of Sudan, but they do have these oilfields that they partially own and pipelines that they depend upon and port facilities that they depend upon in Sudan. They are kind of tied up in Sudan whether they like it or not.

With the division of Sudan into two Sudans, the Chinese are stuck there because some of the oilfields are in South Sudan and the pipelines for that oil run through north Sudan to the port in Sudan. So they have to manage in that situation to protect their sources of supply.

I don't think Brazil, as far as I know, is a major oil exporter to China, but it certainly is a big economic partner of China. I think for the Chinese it's relatively easy to deal with because it's a stable, rational government.

But in Sudan or in Iran, where they have these oil supplies, just the need for oil connects them into complicated diplomatic and political issues.

**QUESTION:** I'm John Richardson.

I was stimulated by the last question-and-answer exchange to ask you this. In this country, my understanding is that if we can resolve this problem about fracking and water supply, we are on the verge of a staggering change in our energy requirements and sources. It's going to help global warming. There's going to be a giant sucking sound of all the jobs coming back to the United States because our costs are going to be much lower. The Europeans are frightened of this. There's a political ramification to this too, that we've had people doing it. Maybe the Pentagon was behind it all the time, but I doubt it. I think there's a lot of investment and entrepreneurial skills that have gone into this.

What about China? Do they have any of this? Will the government permit it? Do the Russians have some up in Siberia? I don't know. But it seems to me that they should be looking at that as a number one priority.

**ANDREW NATHAN:** Yes. China is developing fracking technology also, and they say they have tremendous supplies that are accessible through that method. As far as I know, none of it has yet come online in China. But they are definitely planning to do it, and it could change the picture we're talking about again.

Part of their energy security strategy has been to try to develop more domestic sources of energy. They have put a lot into hydro power, put a lot into solar power, they have put a lot into nuclear power. All of those things diminish their dependency on imported oil. If they can develop fracking in a

big way, that will further diminish their dependency on imports and it will increase their energy security.

I'm not sure what the impact will be on their economic competitiveness, which you alluded to. I see the impact of cheaper energy on American economic competitiveness. Logically that would apply to China, too, except that a lot of their competitiveness is based on the cost of labor right now. So I'm not sure how important that piece is going to be.

**QUESTION:** Don Simmons.

What do you think are the goals and the strategy of the Chinese government with respect to developing a strategic nuclear arsenal?

**ANDREW NATHAN:** China has a strategic nuclear arsenal. They have, I forget the exact number, but a smallish number of 40 to 60 nuclear intercontinental ballistic missiles that they can hit the United States with. All the signs that we see, without security clearances, are that that number has been stable for a long time; they're not increasing it. They have worked on increasing the survivability of that arsenal—in other words, hardening the sites, developing road-mobile ballistic missiles—so that those missiles can't be taken out on a first strike. It looks like their strategy is to deter a first strike.

You know that American nuclear strategy has never adopted a no-first-use pledge. That is to say, the American strategy, dating back to the U.S.-Soviet standoff over Russia, was that if Russia invaded Western Europe, because of the advantages to the Russians that they were located there and they had a huge tank attack force, and Russia had a doctrine of the use of tactical nuclear weapons in an attack on Europe, the United States had a strategy that said, "We might make a first use of nuclear weapons to stop a Russian invasion of Europe." That was our doctrine—not that we would definitely do so but we wouldn't rule it out.

The Chinese have to consider that in a potential conflict with the United States, let's say over Taiwan. It is conceivable that the United States would be tempted to use a nuclear weapon on China. I don't think we would. It would be the end of a long, dark path if such a thing happened. But this is what nuclear strategy is like.

So to prevent the United States from the potential first use of a nuclear weapon, China has built up this minimal, basic deterrent force.

One Chinese strategist has been quoted as saying some years ago, "Our ballistic missiles could reach Los Angeles." There are various ways of interpreting this statement, one just being the guy had had too many drinks and so on. But to the extent that it's a serious statement, I think it would be wrong to understand it as a threat to attack U.S. territory in a first-use situation, because they don't have enough missiles to make that rational. If they were to launch the first attack, the United States has thousands of missiles, and its retaliatory capability is sufficient to deter that. So the Chinese missile force is a deterrent against the first strike.

Now, way down the road they could be concerned about a first strike from any other nuclear-armed power. That would be Russia, that would be India, it would be North Korea. So this capability that they possess is useful for deterring a first strike from any nuclear-armed power that might consider a first strike on China.

**QUESTION:** Jackson Miller. Thank you for your talk.

My question involves your commentary on the South China Sea. What is the role—or does this group even play a role—of overseas Chinese populations in Southeast Asia in potentially advancing Chinese interests? For example, is the PRC targeting certain groups where the overseas Chinese population does represent a large demographic, for example, in Malaysia, Singapore, Indonesia, Philippines, or Vietnam?

**ANDREW NATHAN:** I think they are not. Historically, the pro-Mao communist insurgencies in Indonesia, in Malaysia, in Singapore, in Burma, were heavily supported by the ethnic Chinese populations in those places, which contributed to the tension between the Chinese and the the Malay and other populations in those countries.

When [Sukarno](#) in 1965 carried out a [pogrom](#) against the Indonesian communist party, there were hundreds of thousands of ethnic Chinese in Indonesia who were rounded up and put into concentration camps at that time.

The Chinese government post-Mao has not, as far as I know, used these ethnic Chinese populations for any political purpose. What they have done is to reach out to them for investment and economic ties and opening up the economic relationship between each of those countries and China.

**QUESTION:** William Verdone.

When General [Shwe](#) was in charge of the regime in Myanmar, China was spending—going back to the thread you were spinning on ports— tremendous amounts of money. India was spending equally on infrastructure, bridges, and roads. Now the government is essentially Burma and [Aung San Suu Kyi](#) is back in Parliament. What are your impressions of what China is thinking about and where is their investment going?

**ANDREW NATHAN:** The move toward democratization and toward the West by [Thein Sein](#), the new president, does represent a big strategic setback for China, because the previous government had been heavily influenced by China and very, very open to China. Nobody knows why Thein Sein went down this road of reform and moving toward the West, but one strong theory is that he did so because he and the rest of the leadership felt that the country was too dependent on China.

The Chinese have lost some things in this process. [They have lost the big dam that was being built](#), or at least that dam project has been stopped and has been questioned. I don't know what the ultimate outcome is going to be.

I think China feels that at the end of the day the economic relationship, the closeness of Burma to southwest China, to Yunnan, is a geographical fact that is not going to change. The economic vitality of Yunnan is a fact that is not going to change. Burma will continue to be a kind of economic hinterland of southwestern China and it's not going to be totally lost to the Chinese.

India, it appears, doesn't have, for whatever reason, the capability to really compete with China as an economic partner for Burma.

I think they don't have a huge stake in the form of government in Burma, so if it wants to try to be democratic, I don't think that's a big deal for them. I don't think they particularly cared a lot in favor of the fact that the previous regime was a regime of rather superstitious military men. That wasn't too great either. I think they are patient and the situation for them is not a total loss.

**QUESTION:** I have two related questions. One is, what is China doing to counterbalance the U.S.

military presence in Asia, if it is doing something?

The second one is, what are the military allies of China in Asia and do they have some sort of arrangement that would be equivalent to NATO? What are the allies it could count on?

**ANDREW NATHAN:** China has a mutual defense treaty with North Korea. I believe that's their only formal mutual defense treaty. They don't have any other military allies at all. They have cooperated in the past—I think they have stopped doing so—with the Pakistani nuclear program. That's about it.

There is no other army that would join on the side of the Chinese. What are the possible military clashes that China could find itself in? There's Taiwan, there's the South China Sea, there's the Senkakus, there's a possible crisis in Korea where the Chinese army conceivably could go into North Korea. Nobody would be allied with them in any of these potential battles.

The United States, on the other hand, as you know, has formal and very active and real substantial military defense alliances with Japan, South Korea, Australia, and so on.

Now, your question on what are they doing to counter the American military presence in Asia has a lot of components. We have 30,000 troops in Japan, we have 35,000 troops in South Korea, we have our big air base in Guam, we sell arms to Taiwan, we have joint training with India and Vietnam, we have port call in Singapore, we have military training people in the Philippines and Indonesia. So it's a vast operation that the United States has around China's borders. We rent an [airfield in Kyrgyzstan](#).

So what China is doing really is building up its navy. That's the main way that China is trying to change the military balance. It has created some capabilities that are designed to deal with American forces in a possible conflict.

One of the special capabilities that the Chinese have invested in is an anti-satellite capability. When the United States conducts warfare, it depends a lot on communications through satellites to coordinate all the different battlefield elements that the United States is fielding. The Chinese have demonstrated the ability once to shoot down a satellite. The long-term strategy would presumably be, in the case of a conflict, to shoot down some of the American satellites that are being used for communication.

They have stealth submarine capability. One of the major American force projection platforms in Asia is what's called an aircraft carrier strike group, which consists of an aircraft carrier and many other ships that defend that carrier. But if you can get in with a submarine and hit the aircraft carrier, then that's a big score. So the Chinese have invested in that capability.

They have been investing in cyber-warfare, as you read in the newspaper, a lot. A lot of what we read is they [went into The New York Times website](#).

But in the case of an actual warfare scenario—and I don't know, because this is all very, very secret so I don't have access to it—but, presumably, the prize in cyber-warfare is to get into the antagonist's cyber-network that he is using in his military. Our military guys are all sort of carrying these little handheld computers in the mountains of Afghanistan. If you can get into that military Internet and bring it down, then you would really destroy the operations of the antagonist.

Well, this is obviously not easy to do, but these are some of the things that the Chinese military seems to be investing in.

**JOANNE MYERS:** When I introduced you as a China scholar, you can see that it was no understatement. I thank you really for such a comprehensive and wonderful discussion. Thank you.

### **Audio**

In this masterly and comprehensive talk, Andrew Nathan looks at the world from Beijing's viewpoint and sees a very challenging environment for China. He identifies four rings of security concerns: inside China's territory; its 24 surrounding countries; six regional systems; and the rest of the world.

### **Video Clip**

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