

Briefing Memo

U.S. -China Bipolarity in 2030 and Japanese Security

Yuji Maeda

Research Fellow, Policy Research Division, NIDS

The American unipolar moment is coming to an end. Certainly, the U.S. is still the world's greatest superpower in economic, technological, diplomatic, and military terms. However, its relative power is in a decline due to the rapid growth of China. Some indicators, such as gross domestic product (GDP) by purchasing power parity (PPP) and the Composite Index of National Capability from the Correlates of War (CoW) database, suggest that China is already eclipsing the U.S.¹ Moreover, China is actively exploiting the country's expanded resource base to promote its international presence politically, economically, and militarily. China's long-term aspirations are shrouded with uncertainty. Thus, for at least a few decades to come, strategic competition between the U.S. and China will likely be the primary factor that characterizes the international security environment.

The U.S.-China bipolar dynamics will present a particular difficulty to Japanese grand strategy. The rise of China is the largest security challenge for Japan since the end of the Second World War; Japan's response to it has to be of corresponding significance. Balancing against China in cooperation with the U.S. might be the most obvious solution, because the U.S.-Japan Alliance has been the core of Japanese defense policy for the past 70 years. That said, the grand strategy of expanding the alliance network across the "Indo-Pacific" region and containing China's military expansion depends on what the U.S. and China will do. Miscalculating the nature and extent of China's rise might as well make such a strategy counter-productive. Similarly, taking the U.S. security commitment for granted also involves potential risks when the U.S. domestic politics is increasingly polarized and unstable.

This paper aims to offer insights on the future course of Japanese security policy by analyzing the U.S.-China bipolar dynamics toward 2030. Is China going to pursue a course of international cooperation and stability? Or is it going to pursue regional hegemony in an increasingly assertive way? On the other side, will the U.S. maintain or strengthen its commitment to existing security and economic systems? Or is it going to lean toward the "America First" style of unilateralism or isolationism? These subtle variations will have a great impact on Japan's grand strategic choice.

This paper is structured as follows. First, the sources of U.S. and Chinese internationalism and unilateralism will be reviewed. Their strategic choices produce four distinct possibilities

¹ The estimated figures for FY2019 GDP (PPP) are: China: 27.4383 trillion dollars, and the U.S.: 21.4102 trillion dollars. International Monetary Fund, World Economic Outlook Database (April 2018). The CoW's Composite Index of National Capability (CINC) is calculated using military budget, number of military personnel, steel production volume, primary energy consumption amount, total population, and urban population, and as of 2012 was: China: 0.218, and the U.S.: 0.139. Singer, J. David, Stuart Bremer, and John Stuckey, "Capability Distribution, Uncertainty, and Major Power War, 1820-1965." in Bruce Russett (ed) *Peace, War, and Numbers* (Beverly Hills: Sage, 1972), pp. 19-48 (ver 5.0).

in a two-by-two table (Table 1). I will then discuss each scenario's implications for Japanese national security. This paper finds that the most likely scenario in 2030 is what may be called a New Cold War, in which Japan will do three things: 1) increase its own military capability incrementally within the existing alliance framework; 2) make every effort to improve credibility of the U.S. extended deterrence, and; 3) seek stability of the U.S.-China relations.

1. Where is the United States going?

Under the Obama administration, there was little reason to doubt the US leadership in international cooperative initiatives. However, the advent of President Donald Trump, who has called for “America First” and expressed negative views toward American international commitments, caused concerns that the U.S. internationalism was breaking down. President Trump kept U.S. allies on edge by expressing doubts about traditional security commitments to Europe and Japan and taking a unilateral approach, such as withdrawing from the Trans-Pacific Partnership. Of course, President Trump did not put his campaign rhetoric directly into U.S. foreign policy. As of 2020, near the end of his first term, the U.S. remains committed to alliances with Europe and Japan. However, a greater issue is that the American voters supported his unilateralist discourse and elected him as president. We can no longer assume that internationalism will remain a domestic political consensus within the U.S.

Broadly, two sources of U.S. isolationism can be identified. One is economic, including negative impacts of globalization and mounting trade deficit. During the presidential election campaign, Trump's protectionist agenda received support from the “Rust Belt” region, which suggests there is deep-rooted grievance that America is being economically exploited by the foreign powers.²

The other source of isolationism is strategic, typified by the concept of offshore balancing.³ In short, the concept asserts that the U.S. is protected by the Pacific Ocean and thus not in a position directly threatened by China. It further suggests that U.S. national security is better served by supporting regional stakeholders (such as Japan and Southeast Asian countries) to play a greater role, instead of directly confronting China and jeopardizing the U.S.-China relations.⁴ This is also why President Trump criticizes U.S. allies for “free riding” on U.S. security guarantees and demands more substantial contribution from them.

The trend of American isolationism has gained some momentum. However, it does not mean American internationalism is going to vanish overnight. At the very least, there is still a dominant view among foreign policy elites close to the U.S. government that the American global alliance network is an asset, rather than a liability, for shaping the international security environment. That the U.S. government is maintaining its commitment to the existing alliances, even though it may not necessarily agree with President Trump's personal convictions, proves the point. In addition, the new administration's emphasis on strategic competition against other

² Fareed Zakaria, *The Post-American World*, ver. 2.0 (W. W. Norton, 2012).

³ Stephen G. Brooks, G. John Ikenberry & William C. Wohlforth, “Don't Come Home, America: The Case against Retrenchment”, *International Security*, Vol. 37, No. 3 (Winter 2012/13), pp. 7-51.

⁴ Robert S. Ross, “The Problem with the Pivot”, *Foreign Affairs*, Vol. 91, No. 6 (2012), pp. 70-82; Eugene Gholz, Daryl G. Press, & Harvey M. Sapolsky, “Come home, America: The Strategy of Restraint in the Face of Temptation”, *International Security*, Vol. 21, No. 4 (Spring 2014), pp. 5-48; Barry R. Posen, *Restraint: A New Foundation of U.S. Grand Strategy* (Cornell University Press, 2014).

great powers, as seen in its National Security Strategy (NSS) and National Defense Strategy (NDS), is based on the pessimistic outlook on China since the late 2000s.⁵ The U.S. is shifting its focus from engagement to hedging, breaking from the pattern of the last few decades where the U.S. was pursuing both approaches in parallel. Despite the grievances with the existing free trade system and alliance commitments, there will be little incentive for the U.S. to curtail alliance relationships if the U.S. is to wage strategic competition with China.

2. Where is China going?

There is a widespread concern that China plans to grow the People's Liberation Army into a "world-class" military by the middle of the 21st century and to establish regional hegemony.⁶ In the current discourse, we can identify three main inputs to Chinese expansionism: 1) nationalist inclination caused by the "Century of Humiliation"; 2) extensive economic interests expressed in the Belt and Road Initiative, and; 3) strategic concerns symbolized by the "Malacca Dilemma."

Memories of foreign invasion and colonial imperialism are linked to nationalism and widely shared among the Chinese people today.⁷ The point, however, is to what extent this nationalistic sentiments influence China's foreign policy. In fact, some argue that public opinion in China is not the driving force of its expansionist policies.⁸ History suggests exclusionist ideologies contain the risk of going out of government control, but as long as the Communist Party's domestic rule is robust, its effect on foreign policy is likely to be limited.

Furthermore, China's rapid economic growth is expanding the country's economic interests across the globe. The Belt and Road Initiative announced in 2013 reveals China's intention of securing and expanding its global economic access. In fact, China is greatly dependent on not just exports of processed goods but also external supplies of raw materials and energy resources, a large portion of which relies on seaborne commerce. If the sea lanes were to be disrupted, the Chinese economy would take a tremendous blow. It is rational for China to seek its own economic sphere in order to hedge against such risks. The question is: To what extent will this economic sphere of influence be politically and militarily exclusive? The Belt and Road Initiative is a key litmus test here. However, concerns remain as we see examples of China

⁵ The White House, *National Security Strategy of the United States of America* (Dec 2017); Department of Defense, *Summary of the 2018 National Defense Strategy of the United States of America: Sharpening the American Military's Competitive Edge* (Jan 2018).

⁶ Aaron L. Friedberg, *A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia* (W. W. Norton, 2011), esp. pp. 156-181; John J. Mearsheimer, *The Tragedy of Great Power Politics*, 2nd ed. (W. W. Norton, 2014); Michael Pillsbury, *The Hundred-Year Marathon: China's Secret Strategy to Replace America as the Global Superpower* (Henry Holt and Company, 2015); Peter Navarro, *Crouching Tiger: Wheat China's Militarism Means for the World* (Prometheus Books, 2015); Graham T. Allison, *Destined for War: Can America and China Escape Thucydides's Trap?* (Scribe, 2017).

⁷ Peter Hays Gries, Qingmin Zhang, H. Michael Crowson, and Huajian Cai, "Patriotism, Nationalism and China's US Policy: Structures and Consequences of Chinese National Identity", *The China Quarterly*, No. 205 (March 2011), pp. 1-17.

⁸ Shinji Yamaguchi, "Is China's Social Unrest the Source of Its Foreign Policy? A Preliminary Study on the Impact of Domestic Instability on External Relations", *NIDS Journal of Defense and Security*, Vol. 15, No. 1 (National Institute of Defense Studies, 2012); Andrew Chubb, "Assessing Public Opinion's Influence on Foreign Policy: The Case of China's Assertive Maritime Behavior", *Asian Security*, Vol. 15, No. 2 (2019), pp. 159-179.

making loans beyond the ability of debtor nations to repay and receiving political influence as compensation.⁹

This economic vulnerability also drives strategic expansion. Specifically, if conflict broke out, the U.S. and its allies might block China's access to the shipping lanes through the Malacca Strait and the South China Sea. China has employed the strategy of anti-access/area denial (A2/AD) to prevent the U.S. Navy from approaching the Chinese coast. Beyond that, China further needs to expand its A2/AD bubble and develop power projection capability to break through a potential blockade along the first island chain.¹⁰ China is building up artificial islands in the South China Sea, constructing aircraft carriers, and developing hypersonic weapons (DF-17), all of which fit this larger strategic picture.

On the other hand, there are factors that may bring China toward a more conciliatory position. Two points deserve mention: the need for maintaining domestic control and the danger of a counter-balancing coalition. While China has resolved many international border disputes on the continent, the country still has many sources of political unrest within its borders.¹¹ In recent years, for example, internment camps in Xinjiang and massive demonstrations in Hong Kong have attracted attention. In fact, China allocates a lot of resources to internal policing to consolidate the CCP control.¹² China's military and foreign policy resources are cut by the same amount. However, there is no easy answer as to whether domestic instability makes foreign policy more or less aggressive.¹³

The second point is related to Deng Xiaoping's dictum: "Hide your strength and bide your time." Historically, empires have often over-expanded and ushered in their own destruction – a conventional wisdom in international relations theory (particularly defensive realism). Some even suggest that it is an "easy lesson to learn" from classic examples of Napoleon, Nazi Germany, and Imperial Japan.¹⁴ It has also been pointed out that Chinese leaders are aware of a lesson from the Cold War. Namely, the Soviet Union overemphasized military strength in an excessively threatening way to other countries and caused its own demise.¹⁵ For example, China's activities in the South China Sea and around the Senkaku Islands may, on the flip side, be an expression of caution in acting under the response threshold of the opponents.¹⁶ From

⁹ National Institute for Defense Studies, "NIDS China Security Report 2019".

¹⁰ Aaron L. Friedberg, *A Contest for Supremacy*, *ibid*; *Beyond Air-Sea Battle: The Debate over US Military Strategy in Asia* (Routledge, 2014).

¹¹ Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China's Territorial Disputes* (Princeton University Press, 2008).

¹² Xuezhong Guo, *China's Security State: Philosophy, Evolution, and Politics* (Cambridge University Press, 2012); Yuhua Wang & Carl Minzner, "The Rise of the Chinese Security State", *The China Quarterly*, Vol. 222 (Jun 2015), pp. 339-359. However, it has also been pointed out that spending for domestic surveillance in China is not that large. Sheena Chestnut Greitens, "Rethinking China's Coercive Capacity: An Examination of PRC Domestic Security Spending, 1992–2012", *The China Quarterly*, Vol. 232 (Dec 2017), pp. 1-24.

¹³ According to diversion theory, national leaders sometimes set out on an adventurist foreign policy to distract people's attention abroad. Jack S. Levy & William R. Thompson, *Causes of War* (Wiley-Blackwell, 2010), pp. 99-103.

¹⁴ Barry R. Posen, *The Sources of Military Doctrine: France, Britain, and Germany between the World Wars* (Cornell University Press, 1984), pp. 68-69.

¹⁵ Avery Goldstein, *Rising to the Challenge: China's Grand Strategy and International Security* (Stanford University Press, 2005), p. 31.

¹⁶ Ross Babbage, *Stealing a March: Chinese Hybrid Warfare in the Indo-Pacific: Issues and Options for Allied Defense Planners* (Center for Strategic and Budgetary Assessment, 2019).

this perspective, rather than pursuing an overt military hegemony, it is logical to develop economic, scientific and technological capabilities that serve well in long-term competition.

3. Four scenarios of U.S.-China bipolarity

The current trends in the U.S. and China mentioned above suggest four distinct possibilities of what the international system will look like in 2030 (Table 1).

Table 1: Scenarios of U.S.-China bipolarity

		United States	
		International Engagement	Isolationism
China	International cooperation	1. Status quo	3. Power sharing
	Expansionism	2. New Cold War	4. Chinese regional hegemony

Scenario 1: If the U.S. maintains security commitments across the region, and China avoids confrontation with the U.S. and maintains its measured approach, the current security environment will largely be maintained. In that case, it is possible that a new arms control regime will be agreed upon by the major powers so as to keep their rivalry under control.

Scenario 2: If the U.S. maintains the security commitments, and China seeks to change the status quo in its favor, an intense rivalry reminiscent of the Cold War will ensue. In other words, the U.S. will redress the “missile gap” in the theater and prepare for long-term competition economically and technologically. At the same time, the U.S. will expand cooperation with like-minded countries, such as Japan and Australia. On the other hand, China will not stop at renewing its A2/AD capabilities – it will continue to invest in high-end capabilities, including its own version of nuclear triad and aircraft carriers, and aim for strategic parity and theater superiority vis-à-vis the U.S. The possibility of the U.S. and China rushing into direct armed conflict is low, due to the presence of invulnerable second strike capabilities. Nevertheless, miscalculation and misperception might still cause a localized conflict in Taiwan and/or offshore islands in the South China Sea.

Scenario 3: If the U.S. seeks drastic reduction of security commitments, China’s influence will expand to fill the gap. It does not necessarily mean China will launch a massive campaign of military conquest; rather, it means that effective counter-balancing against China will be unlikely in the absence of American leadership.¹⁷ In this context, if China does not resort to

¹⁷ This is due to the problem of buck-passing, caused by differences of threat perception. Stephen M. Walt, *The Origins of Alliances* (Cornell University Press, 1987). However, that may not necessarily be the case if the U.S. plays a leading role. Thomas J. Christensen & Jack Snyder, “Chain Gangs and Passed Bucks: Predicting Alliance Patterns in Multipolarity”, *International Organization*, Vol. 44, No. 2 (Spring 1990), pp. 137-168.

force, diplomatic settlements will produce a new regional order. This is similar to the idea of a “grand bargain” that will establish American and Chinese spheres of influence.¹⁸

Scenario 4: If China goes aggressive (i.e. resort to the use of military force, or short of that, coercion), and the U.S. reduces security commitments, Chinese regional hegemony will emerge. Specifically, the forward-deployed U.S. forces in Japan, the Republic of Korea, and the Philippines may be withdrawn and China may enjoy naval and air superiority inside the second island chain.

Among these scenarios, Scenario 2 is most likely. As shown in the Trump administration’s hardline policy toward China, the U.S. is not trying to reduce its influence on the international stage. Although the hedging element in U.S. foreign policy is nothing new since at least the Obama and Bush administrations, it is noteworthy that the Trump administration, which seemed relatively indifferent to foreign policy issues at the outset, has named China as the number-one strategic competitor.¹⁹ In addition, the U.S. has begun concrete medium- and long-term initiatives to redress the conventional balance of forces in the region. For example, withdrawing from the INF Treaty and starting to develop ground-launched intermediate-range missiles suggest that this renewed balancing effort is not a temporary whim. In response, China grows increasingly sensitive to the possibility of the U.S.-led “containment”, which leads China to further expand its economic sphere and modernize the PLA. Although there will be ebbs and flows in response to the surrounding countries’ reactions, China is likely to seek a sphere of influence exclusive of U.S. interference in the medium to long term.

4. Where should Japan go?

Given scenario 2, what should Japan’s security policy be like? In general, potential threats to Japanese security will grow. However, as long as Japan can rely on the existing security framework (i.e. the U.S.-Japan alliance), it will take an incremental approach to strengthen its defense posture. Japan is geographically closer to China than the U.S. is (not to mention territorial disputes with China), which means the risk of abandonment is greater than that of entrapment. Thus, buck-passing is not a viable option. Japan’s chief objective will be to make sure the U.S. will stay in the game and to help maintain stability between the U.S. and China.

First, Japan must help maintain the U.S. forces in the region and transmit U.S. resolve to China if the U.S. extended deterrence is to remain effective. More specifically, U.S. Forces Japan (USFJ), including the forward-deployed Marines in Okinawa, must be maintained as a tripwire, so as to make sure an attack on Japan would automatically involve the U.S. It is important to develop joint operational posture around the Southwest islands, including the Senkakus, where the U.S. and Japanese interests might diverge (or so China perceives).

Furthermore, it is vital to improve resiliency of the U.S. forces and the Self-Defense Forces in order to reduce Chinese incentive for a disarming first strike.²⁰ In Cold War Europe, NATO

¹⁸ Hugh White, *The China Choice: Why We Should Share Power* (Oxford University Press, 2013); Charles L. Glaser, “A U.S.-China Grand Bargain?: The Hard Choice between Military Competition and Accommodation”, *International Security*, Vol. 39, No. 4 (Spring 2015), pp. 49–90; Ely Ratner, “There Is No Grand Bargain with China: Why Trump and Xi Can’t Meet Each Other Halfway”, *Foreign Affairs* (Nov 27, 2018).

¹⁹ For information about the balance vis-à-vis China during the Bush and Obama administrations, see Nina Silove, “The Pivot before the Pivot”, *International Security*, Vol. 40, No. 4 (Spring 2016), pp. 45-88.

²⁰ Eric Heginbotham & Richard J. Samuels, “A New Military Strategy for Japan: Active Denial Will Increase Security in Northeast Asia”, *Foreign Affairs* (July 16, 2018).

developed a deterrence-by-denial posture designed to prolong the conflict so that the Warsaw Treaty Organization, which had superior conventional forces on the ground, could not achieve a *fait accompli* in a short order.²¹ The allied conventional deterrence capability complicated the adversary's calculation of the risk of nuclear escalation, which made the overall deterrence more robust. In this sense, ground-launched intermediate-range missiles can be a viable military option to deter China from pursuing a quick *fait accompli*. Despite some concerns about the lack of strategic depth on small islands, past examples (including failure of the U.S. "Scud Hunt" mission during the Gulf War) suggest various concealment measures can make the missiles considerably survivable.²²

Resiliency and survivability are critical factors not limited to ground-based assets. Submarine-launched strike options (and UUVs in the future) will be critical to maintain Japan's denial capacity inside the enemy A2/AD sphere. Notably, China's anti-submarine warfare (ASW) capabilities are comparatively rudimentary. Japan should seek an asymmetrical superiority in the undersea domain. Furthermore, capabilities in the space and cyber domains may become a force multiplier that facilitates land, air, and naval operations but may also become a source of vulnerability. For example, while the adversary would likely attempt to neutralize GPS by cyber-attacks or anti-satellite weapons at the outset of conflict, there must be ample redundancy and alternative circuits in the allied C4ISR systems to preserve operational effectiveness in the conventional domains (land, sea, and air).

Conclusion

As discussed above, there are wide range of possibilities regarding Japan's future security environment, depending on the U.S.-China bipolar dynamics. If the U.S. reduced its security commitment drastically, potential risks for Japanese security will be very high, as in scenarios 3 and 4. Fortunately, it is not the most likely outcome in a bipolar system. Nevertheless, the future prospect is not bright even in scenario 2, where the intense superpower rivalry may disrupt economic ties or escalate into regional conflict. In any of those scenarios, Japan needs to play a greater role in regional security affairs and to enhance the U.S.-Japan alliance. Compared to the Cold War, where Europe was the primary focus, the rise of China gives a greater incentive for Japan to build up its military and play a larger international role. We need a long-term perspective of "thinking the unthinkable" to determine the scope and extent of this new security requirement.

²¹ John J. Mearsheimer, *Conventional Deterrence* (Cornell University Press, 1983).

²² Stephen Biddle, "Allies, Airpower, and Modern Warfare: The Afghan Model in Afghanistan and Iraq", *International Security*, Vol. 30, No. 3 (Winter, 2005/06), pp. 161-176; Stephen Biddle & Ivan Oelrich, "Future Warfare in the Western Pacific: Chinese Antiaccess/Area Denial, U.S. AirSea Battle, and Command of the Commons in East Asia", *International Security*, Vol. 41, No. 1 (Summer 2016), pp. 7-48; Toshi Yoshihara, *Going Anti-Access at Sea: How Japan Can Turn the Tables on China* (Center for a New American Security, 2014); Thomas G. Mahnken, Travis Sharp, Billy Fabian, and Peter Kouretsos, *Tightening the Chain: Implementing a Strategy of Maritime Pressure in the Western Pacific* (Center for Strategic and Budgetary Assessment, 2019).