

Speculating on Asian Security, 2013–2033¹

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This article is a speculative exercise on power competition in Asia among the United States, China and Japan for the next two decades. This article is an offshoot of an earlier work² in which I examined the dialectic of world order in the last century through the lens of the two-level game and the second image reversed, focusing on the state strategy of balance of power, the state strategy of collective security, and the state strategy of primacy. Therein the grassroots-level game, posed as anti-thesis of have-nots, plays an important role in the dialectical framework. In this article I modify a part of the framework, given the short period under consideration (2013–2033), with the presumption that state strategies will be more salient than the systemic prevalence of hegemonic order, in this case the presumed uncertain transition from US primacy to global governance under international norms and rules, loosely shared, sustained and supported by a large number of states, societies and international organisations. Instead of grassroots-level, anti-systemic have-nots, the new framework deals with the difficulties of the key pursuit of each state's strategic goal. In this case, 'primacy' for the United States, 'equality' for China and 'peace' for Japan. In pursuing these goals, each state is trapped by the very means that is supposed to work to achieve their respective goal: R&D investment in weapons for the United States, extractive institutions for China, and self extending decisions for Japan. Prior to focusing on the future dialectics of Asian security, I deal with the past dialectics of Asian security in the two preceding centuries to highlight its key feature and contrast it with what might come within the ensuing two decades from 2013.

Two Benchmark Years, 1812 and 2032

Circa 1812 is an important benchmark year as it marks the peak of combined Asian gross domestic product.³ Circa 1812 India was governed by the Mughal empire.

1 The main arguments of this article were presented at the Asia-Pacific Roundtable, CSIS, Kuala Lumpur, Malaysia, May 28–30, 2012 and at the World Peace Forum, Tsinghua University, Beijing, China, July 7–8, 2012.

2 Takashi Inoguchi 'World Order Debates in the Twentieth Century: Through the Eyes of the Two-level Game and Second Image (Reversed)' *The Chinese Journal of International Politics*, Vol.3, No. 2, 2010 Summer, pp.155–188.

3 Angus Maddison, OECD, Development Centre Studies: 'The World Economy: Historical Studies Statistics' (2003); Angus Maddison and Harry X. Wu, 'New estimates of Chinese Growth Performance and Potential 1952-2020', The Groningen Growth and Development Centre (2007); Andre Gunder Frank, *ReOrient: Global*

China was governed by the Qing empire. Japan was governed by the Tokugawa shogunate.⁴ All three were prosperous. After which, however, Asia commenced a steady decline.⁵ The tide of globalisation encroached persistently on China, the most visible of which was the tide of colonisation. Britain conquered and colonised India. The West coerced Japan to open its ports and country, initiating a 58-year-long free trade system whereby Japan did not enjoy tariff autonomy. Combined Asian domestic product dropped dramatically. The traditional hand-spinning cotton industry of India almost vanished as British machine-spinning cotton products came to dominate the market. Foreign capital and armed forces encroached on China along its coastline. Japan industrialised under the free trade system, but resorted to one war after another, eventually leaving the country in ashes and ruin.

Meanwhile the West increased its industrial production and military expansion. During the period of ascendancy, the West resorted to the most devastating wars in human history, mostly among itself. After the two world wars, the West combined gross domestic product increased dramatically, led noticeably by the United States. The latter half of the twentieth century was the industrial age of Pax Americana, under which industrialisation and globalisation went hand in hand, permeating to the non-West as well. Accordingly, wealth accumulated in the non-West as well during the latter half of the twentieth century and beyond. In Asia three waves of wealth accumulation have taken place.⁶ First, Japan industrialised after the ruins and ashes of the Second World War. This was most pronounced during the 1950s, 1960s, and 1970s. Then China started to leap upward during the 1980s, 1990s, and 2000s. India, along with other emerging economies, has joined this latest wave of growth in the 2000s and beyond. Many forecasts predict that the combined Asian gross domestic product (GDP) by 2033 will account for 50 percent of the world's GDP. That is 2033 represents the second benchmark year after 1813. Using these two benchmark years, I conduct an exercise of drawing a scenario of major power relations in Asia as of 2033.

Emperor Jiaqing's Looking Glass as a Dialectic Moment?

Chinese ruling emperors loved history and each left a record detailing his successes during his own reign of governance. Emperor Jiaqing (1760–1820) was no exception. *Jiaqing huidian* chronicles his reign. A curious section exists that categorises foreign countries into two groups: tributary countries and trading countries.⁷ The former includes Vietnam, Korea, and England. The latter includes the Netherlands, France, and Japan. Why was England categorised as a tributary country? Why was

Economy in the Asian Age (Berkeley, CA: University of California Press, 1998).

4 Eric Jones, *The European Miracle: Environments, Economies and Geopolitics in the History of Europe and Asia* (Cambridge: Cambridge University Press, 1981); Eric Jones, *The Growth Recurring* (Oxford: Oxford University Press, 1988).

5 Niall Ferguson, *Civilization: The West and the Rest* (London: Allen Lane, 2011).

6 Masahiko Aoki, 'The Five Phases of Economic Development and Institutional Evolution in China and Japan', Presidential Lecture at the XVIth World Congress of the International Economic Association, Beijing, July 2011.

7 Masataka Banno, *Kindai Chugoku gaiko shi* (Modern Chinese Diplomatic History) (Tokyo: University of Tokyo Press, 1970).

Japan labelled a trading country? King George III of England sent his emissary to Emperor Qianlong (Jiaqing's father) in 1793. Lord George Macartney was given an audience with the emperor to convey his king's message that the Qing dynasty open the country and ports to free trade. Emperor Qianlong famously replied: "Swaying the wide world, I have but one aim in view, namely, to maintain a perfect governance and to fulfil the duties of the State: strange and costly objects do not interest me. . . . Do you reverently receive them and take note of my tender goodwill towards you! A special mandate."⁸

China designated England a tributary country based on the willingness of British representatives to the Middle Kingdom to kowtow and exchange tributes and gifts. However, this exchange is the beginning of disasters for China, although China itself did not recognise it at the time. The irony was that England as a staunch trading state was dangerous and potentially poisonous to China. The West and later Japan moved in to trade with, and invest in, China, and ultimately, encroach on its territory.

The sociologist Huang Ping of the Chinese Academy of Social Sciences argues that China's decline was due to the fact that China had been a 'modern' society for the last 2000 years, that is, modern in the sense that it exemplifies the spirit of modernity – rationalism, secularism, and meritocracy.⁹ In Giddens' sense and thus Huang's sense, Chinese modernity was unmatched by the modernity of the West, which is merely two centuries long. These three qualities of modernity overloaded Chinese society for so long that China's decline was pronounced and perhaps inevitable.¹⁰

Next, why was Japan a trading country when under the Tokugawa shogunate (1603–1867) Japan was closed to foreign trade? Again, the Qing dynasty misused the category. Japan shunned foreigners during the Tokugawa period. Only at a small port, Deshima, Nagasaki, did Japan allow a small number of nongovernmental merchants, Dutch and Chinese, to trade.¹¹ The Tokugawa shogunate not only shut out foreign trade but also, perhaps more importantly, prohibited Christianity. China's assessment of Japan as a meek and minor country proved to be wrong and disastrous to China's future development.

Emperor Jiaqing's looking glass allows us to see why China declined, facing the advent of the West, from the largest country in the world in terms of population and economic wealth to one of the weakest within a short-time span of some 30 years. Even if Huang is correct in arguing that China's decline was the overloaded development of the three cardinal principles of secularism, rationalism, and meritocracy over two millennia, one can argue that the self-complacent view typified by Jiaqing's looking glass aggravated China's decline. In the more medium term of historical perspective than that examined by Huang,¹² argue in their comparison between Chinese and European economic change that prevalent wars in Europe led to the creation of cities to accommodate capital-intensive industries, which paved the Western road to

8 Harley F. MacNair, *The Real Conflict Between China and Japan: An Analysis of Opposing Ideologies* (Chicago: University Press of Chicago, 1938), pp. 27–28.

9 Anthony Giddens, *The Consequences of Modernity* (Palo Alto, CA: Stanford University Press, 1990); Ping Huang, 'Congress Xiandaixing dao Di Santiao Daolu – Xiandaixing zhaji zhi yi' (From modernity to 'the third way': One reading note on modernity) *Shehuixue Yanjiu* (Sociological research), Vol. 3, pp. 26–44.

10 Alexander Woodside, *Lost Modernity: China, Vietnam, Korea, and the Hazards of World History* (Cambridge, MA: Harvard University Press, 2006).

11 Ronald Toby, *State and Diplomacy in Early Modern Japan* (Princeton, NJ: Princeton University Press, 1983).

12 Jean-Laurent Rosenthal and Roy Bin Wong, *Before and Beyond Divergence: The Politics of Economic Change in China and Europe* (Cambridge, MA: Harvard University Press, 2011).

industrialisation. China's decline in the mid-nineteenth century was most cogently explained by Rosenthal and Wong in their masterly analysis of Chinese and French economic data during the few centuries before the advent of the Western-led modern era.

The Coming Two Decades of Uncertainty

The two decades following 2013 are widely recognised as an uncertain era. All three Powers experienced leadership change in 2012: presidential elections in China and the United States and general elections in Japan. In dealing with the three Powers' competition in 2013–2033, the dissonance between the power base and the power perspective is highlighted. More specifically, I focus on what each Power takes pride in (such as primacy, equality, and peace respectively) and the costs of its pursuit. Uncertainty widely prevails. It is derived from a number of factors including stagnant economies prevailing in the countries belonging to the Organisation for Economic Co-operation and Development (OECD) compared with the increased presence of emergent economies; secondly a contest between China and the United States and its allies and friends. Highlighted is the demographic trend of China. China has observed the policy of one child per family because of their Malthusian fear in the late 1970s that given the natural trend of Chinese reproductive ratio any Chinese developmental progress from reform and open-door policies, initiated in the late 1970s, would be cancelled out by huge demographic growth. Yet three decades of one child policy has resulted in a drastic decrease in the productive population *vis-à-vis* the elderly population, thereby creating a developmental onus, especially with the prospect of slow but steady growth of social policy entitlement. The next three decades will see a drastic demographic decline; even the total population size will stall in two decades or so. Exacerbating the degree of uncertainty in China is the uncertainty of institutions. The Dengist economics and politics that prevailed in the last three decades have reached a certain degree of deadlock. Deng Xiaoping's dictum is to relax state regulations towards the economy slightly so that the economy can make the best use of concentrated financial flows run by state firms, then to focus on the coastal economies of Guangdong, Shanghai, and Tianjin-Beijing, and not bother with developmental gaps between coasts and inner lands. Thirdly, to make the best use of labour-intensive assembly-line manufacturing, where foreign direct investment is welcome. Finally to cultivate a low profile in world politics to ensure peaceful borders, an indispensable element to economic development. In Deng Xiaoping's words, "hiding our light and nurturing our strength." In the 2010s the voice of modifying the Dengist dictum has become strong. China's tangible wealth accumulation has brought about pride in China and self-assertive tendencies. Yet concomitant growth in income gaps and status gaps remains between coastal regions and inland regions, between normal residents and *hukou* residents, (or those countryside residents migrating to urban centres without being able to change government registered residential status), between high-skilled and low-skilled workers, and between those managing state firms and non-state firms. Amid the economic downturn immediately after the Beijing Olympic Games in 2008, social protest through collective actions

has taken place frequently and on a large scale: about 100,000 collective protests with a thousand or more participants in 2012. How to handle such unrest has also brought about cleavages in viewpoints and policy among the privileged communist elites. Given the moderately ‘anarchistic’ populace, putting forward individualistic demands forcefully whenever feasible, the basically meritocratic chosen elites waver in their views and policies with respect to the use of force: whether the People’s Liberation Army should be called to move in or not. The coalition formation within the seven-member Standing Committee of Politburo of the Communist Party was decided in the autumn of 2012. Xi Jinping captured power. The dismissal of Bo Xilai, former secretary of Chongqing, Sichuan, from office in the summer of 2012, heightens the sense of uncertainty.

The degree of uncertainty is no less in the United States. The extraordinary economic downturn triggered by the Lehman Brothers shock in 2008 have brought about long, protracted years of economic pain: unemployment is high and consumer market demand is sluggish despite the government’s massive monetary injection into the economy. Two key indicators shape presidential popularity – unemployment rate and the number of those killed in war.¹³ A high rate in the former is a clear red light in terms of presidential popularity, whereas the latter is an amber light, especially given the dilemma of Iraq and Afghanistan not being able to attain peace either with or without the presence of US soldiers and weapons, such as drones. Resisting the strong rumour that implied that Obama’s re-election chances would be doubtful, he received 47.5 percent of the two-party vote. Obama had a Pyrrhic victory. A somewhat exaggerated cleavage called “one percent versus ninety-nine percent”¹⁴ has increased the number of those disenchanted with politics. In the American political spectrum, some on the right rally around ‘small government’ in an extreme form; others on the left rally around ‘no entanglement abroad.’ The Tea Party, emanating from the right, promotes a very distinctive form of small government, which strongly influences the Republican candidate, Mitt Romney, and his running mate, Paul Ryan, in their bid to secure this segment of the right-wing vote. Another looming uncertainty relates to the United States’ security policy. The question is: how can the government afford to spend a massive portion of the budget on defence even though the rise of China has persuaded the US government to enhance the structure of regional security in the Asia Pacific and rein in the conflicting parties between China and other regional states in the Asia Pacific? Whether the promise of United States rebalancing can be sustained or not is especially serious with respect to R&D spending on weapons. R&D budgets tend to be cut when small government ideologues are strong in Congress.

Equally murky is the future development of politics in Japan. Japanese politics has been fractious and fragmented at least since the end of the Cold War.¹⁵ The high-growth period of the 1960s, 1970s, and 1980s saw the emergence of a tightly organic Japanese society. The low-growth period of the 1990s, 2000s and 2010s has loosened the ties of Japanese society. Civil society has become stronger *vis-à-vis* the state. Mediating institutions like political parties, bureaucracy, parliament, interest

13 Douglas A. Hibbs, *The American Political Economy* (Cambridge, MA: Harvard University Press, 1987).

14 See: wearthe99percent.tumblr.com/blog.

15 Takashi Inoguchi, ‘Japan’s Foreign Policy Line after the Cold War’ in Takashi Inoguchi and G. John Ikenberry (eds.), *The Troubled Triangle: Economic Security Concerns for the United States, Japan and China* (New York: Palgrave Macmillan, 2013), pp. 35–62.

associations, and mass media have lost their erstwhile strong influence. Individual citizens, organisationally fragmented and only superficially sharing sentiments, often become swing voters, who at times swing away *en masse*. At issue is the inability of large and small organisations to make a decision that articulates, integrates, and implements longer term and shorter term policy directions. Be it the Prime Minister's office, a bureaucratic department of social policy, a business firm's investment department, or any organisation, they are all gripped by indecision. What confronts Japan for decision includes whether the country needs to rely on nuclear power generation for energy; how much does the government need to extract in taxes to sustain the social policy package for the elderly population; what cooperative schemes can be reinvented with the United States to sustain the bilateral alliance; and finally, how to ensure that the economy remains competitive in scientific and technological excellence in a world where demographically dominant nations will thrive: Africa's 2 billion, India's 1.6 billion, and China's 1.4 billion estimated in 2050 when it is expected that Japan will number less than 100 million people.

Dialectic Moment?

In 2033 what will the power configuration among these three countries be like? The exercise involves informed speculation based on what are considered to be widely-shared key determinants of Chinese, American and Japanese development two decades from 2013. The basis of our speculation is demography. It is not that demography is a determining factor but its development will be complicated by other determinants and sometimes twisted to produce unpredictable power configurations.

China

Coming into China's dialectic here is what Daron Acemoglu and James Robinson¹⁶ call extractive political and economic institutions. By which they mean those institutionalised schemes and practices that have the effect of siphoning power and wealth to a privileged few. In China the few refer to the communist party elites. The Chinese Communist Party used to discriminate against class enemies. In the wake of developmental momentum following the lifting of embargos imposed after the Tiananmen massacre, Jiang Zemin eliminated the restrictions on class enemies, enabling this class to seek party membership. More importantly, two institutions enable those elites to acquire power and wealth: state ownership of land and state enterprises. 'Socialism with Chinese characteristics' stipulates that all land is owned by the state and that state enterprises are dominant actors. In other words, land can be confiscated by the state when it suits the preference and convenience of the state. Hence, every week approximately 500 protests occur over the state's confiscation of land from residents, farmers or whomsoever. The state promotes economic development everywhere in China. Not only coastal regions like Guangdong, Jiangxi,

¹⁶ Daron Acemoglu and James Robinson, *Why Nations Fail: The Origins of Power, Prosperity and Poverty* (New York: Crown Publishers, 2012).

Zhejiang, Fujian and Shandong but also Anhui, Sichuan, Henan, Hubei as well as innermost peripheral regions like Yunnan, Xingjiang, Shaanxi, Qinghai and Tibet are targeted. State enterprises enjoy privileges of various tax exemptions and state financing. Therefore, during difficult times, state enterprises survive whereas many private enterprises vanish. Extractive institutions rarely disappear or fail as they are staffed by privileged elites who are backed by the armed forces (the People's Liberation Army belongs to the Chinese Communist Party, but not to the People's Republic of China). A significant pattern is that those extractive institutions are more frequently and intensely used during difficult times. The problem is that those extractive institutions are not conducive to sustained economic development. Socialist monopoly and selective concentration of resources yielded quick results in the initial phase of industrialisation. Moreover, the results were tangibly felt by the masses. Three decades of two-digit growth nearly exhausted coastal business opportunities that do not require high levels of R&D investment. Hence, the tenacious focus on land (mostly extracted from rural forms of collective residences) and geographical shifts to inner provinces. The question is how long will those extractive institutions remain intact. By 2033 will they still exist? Will the 500 weekly mass protests trigger military intervention? Will some of those 500 weekly mass protests take place in Beijing? After all, key regime changes in China took place when Beijing was taken by rebels, that is to say the Manchus in 1644, military leagues in 1911, Communists in 1949, and unsuccessful democrats in 1989.

The United States

Of all the uncertainties the United States has faced and will continue to face, the uncertainty of R&D investment in weapons stands out. In 2012 President Barack Obama announced a 10-year defence budget plan, in which budgetary cuts were outlined. Central to this plan are firstly, the concentration of armed forces in the Asia-Pacific region, representing some 60 percent of US armed forces. Concordant with this is the winding down of US involvement in areas outside the Asia Pacific. A question arises naturally: What will be the budgetary cuts in R&D weapon programmes in the 10-year defence plan? Worldwide, the United States R&D expenditure in weapons accounts for 80-85 percent of all international expenditures in this area. Yet large-scale budgetary cuts in defence cannot avoid cutting R&D in weapons. But two trends may block budgetary cuts in this particular area. First, the United States, strongly believing in the ever advancing technology of weapons, has been leading the world in weapons R&D investment for years. Yet the ratio of public R&D to GDP has fallen by half since the 1960s.¹⁷ Recently, arguments have been made to the effect that low technology weapons should be explored and exploited rather than spending huge amounts of money on developing new weapons in competition among the four armed services – army, navy, airforce, and marines.¹⁸ Second, China has been accumulating a staggering two-digit defence build up for the last twenty years at least. It is not only the building up of defence that worries the United States. It is the clearly articulated intention of China to deny the United States access

17 'Free Exchange/Arrested development', *The Economist*, 25 August 2012, p. 61.

18 Jonathan Caverley and Ethan B. Kapstein, 'Arms Away: How Washington Squandered its Monopoly on Weapons Sales', *Foreign Affairs* 91, No. 5, (2012), pp. 125-132.

to the Chinese coast where industrial and military facilities are concentrated, which poses extreme vulnerabilities to the United States. To realise this plan of denying regional access, the Chinese People's Liberation Army has aggressively demarcated the Western Pacific, west of Hawaii, into zone A and zone B. Zone A is along the line of the Japanese archipelagoes, Taiwan, and the Philippines, whereas zone B is along the line of Guam and Hawaii. To deter China from effectively denying access, the United States must mount an equally aggressive campaign of weaponry R&D. One way that the United States has pursued more intensely is a co-design and co-production scheme with foreign companies that excel in certain components and materials. The F-35 fighter plane is a recent example. One drawback to joint schemes is the prohibitive price tag. A fundamental solution could be a reconciliation rather than confrontation between these two powers. To opt for reconciliation with China would mean that a large amount of money would not be invested in the R&D of weapons.

Japan

Henry A. Kissinger noted that the Japanese are slow in making a decision, large or small.¹⁹ His three examples go back to the nineteenth century. First, after Commodore Matthew Perry came to Japan to execute coercive diplomacy, it took fifteen years for the Japanese to decide to modernise their country; the decision was marked by the Meiji Restoration. Second, after Japan surrendered unconditionally in 1945, it again took fifteen years for the Japanese to make up their minds about the United States military presence in 1960. Third, when the bubble economy collapsed in 1991, Japan spent some fifteen years deciding whether to give permission to the government to inject public money into bankrupt financial institutions. Kissinger exaggerates the problem. But the issue surrounding Japan's decision-making is that although consensus from below is assiduously sought, each actor tends to degenerate to a veto-player and thus each decision is made only slowly. In the end, politics becomes that of fragmentation and instalment. The problem has become very serious for structural reasons. First, technological advances have enabled everyone to participate in politics. People's deputies freely elected in a representative democracy clearly do exist. But non-elected, self-appointed deputies have flourished. But self-appointed deputies have flourished. Second, mediating organisations, such as political parties and interest groups or associations, have had their influence reduced in society. Third, national borders have become so loose that voices from below can easily traverse borders. John Keane calls it the end of representative democracy and the emergence of 'monitory democracy'.²⁰ Whether other industrial democracies are confronted by similar symptoms as experienced by Japan can be disputed.²¹

19 Henry Kissinger, *Does the United States Need a Foreign Policy? Toward a Diplomacy for the 21st Century* (New York: Simon & Schuster, 2001).

20 John Keane, *The life and Death of Democracy* (New York: Simon & Schuster, 2009).

21 'Turning Japanese', *The Economist*, 30 July 2011.

Three Pursuits Concurrently Unfolding?

If the United States maintains primacy as the national goal and it is not compromised despite all the economic difficulties, and if the United States implements both drastic budget cuts and the rebalancing strategy that targets maintaining primacy in the Asia Pacific, dialectics are bound to occur. Each goal and each policy direction are operationally difficult to implement if they are interpreted literally. Nevertheless, it is politics that are called for to give a solution or quasi-solution or a semblance of a solution. In focus here is the United States “air-sea battle (ASB) – an operational concept designed to help the United States airforce and navy jointly respond to Anti-Access/Area Denial (A2/AD) challenges, enhance deterrence, and ensure freedom of action around the world over the next generation”.²² If budget cuts are substantial, which is very likely to be the case, they will jeopardise the procurement of F-35s – the multiple replacement fighter plane for the airforce and navy – and the full slate of Virginia-class attack submarines for the navy. Further still the weapons R&D budgets are the easiest to be targeted for drastic cuts. R&D into next generation robotics, a new long-range bomber, and C4ISR (command, control, communications, computers, intelligence, surveillance, and reconnaissance) is categorically judged to “be essential to guaranteeing U.S. military power over the long term”.²³

If the US pursuit for primacy is sacrosanct, if drastic defence budget cuts are unavoidable, and if the Asia Pacific regional balance is prioritised, what options are available? First, a standing tall policy, second, burden sharing and third, appeasement. First, returning to Ronald Reagan’s notion of standing tall and ‘seducing’ China into an arms race in which fatigue will fall heavily on Chinese shoulders. This would not cause too much spending for defence budgets. Xi Jinping who is China’s new official leader may not be like the Soviet Union’s Mikhail Gorbachev. Second, burden sharing with Japan to mobilise the latter’s excellent technologies in the production of F-35 airplane wings is a symbolic example. This would help the United States to reduce defence budgets without abandoning the production of next fighter F-35 and reducing its procurement. This sign of a firm alliance would aggravate China’s hostility towards the United States and Japan. Third, the United States, while maintaining the pretention of global primacy, might appease China by slightly relaxing A2/AD, thereby avoiding a strongly hostile China. How such an appeasement can be carried out is a moot question. If Romney had been elected over Obama, primacy would have been pursued far more seriously, and thus the first option would have been given a priority.

If China’s pursuit for equality at home (income level) and abroad (sovereign power) is serious, dialectical movements are inevitable. Revolution meant the termination of exploitation and corrected the treatment of peasants and workers. The state regulations and associated privileges given to the elites have been loosened by the Dengist reform policy package. The consequences of such policy reforms are positive for income levels at home and the consequences abroad are also positive for sovereign power. Such consequences are negative in terms of gaps between urban and rural areas, party elites and grassroot masses. These negative consequences need

22 Michael C. Horowitz, “How Defense Austerity Will Test U.S. Strategy in Asia”, pp. 1–4, available at www.nbr.org/publications/element.aspx?id=612 NBR- The National Bureau of Asian Research (posted August 2012).

23 *Ibid.*

to be rectified. When Wei Jingsheng (Chinese pro-democracy activist) called for the need to carry out the ‘fifth modernisation’ (democratisation) in the 1970s when the Communist Party adopted its slogan to carry out four modernisations (industry, agriculture, science, and military), democratisation was regarded by communist elites as either premature or subversive. Nowadays, the mood has not changed fundamentally among the elites. Yet the recognition that state regulations need to be relaxed more widely and more strongly appear to have increased. State regulations have facilitated the accumulation of wealth among the elites, but have been detrimental and exploitive of the masses. What Acemoglu and Robinson call extractive institutions are at the core of state regulations.²⁴

If Japan’s fractious and time-consuming decision-making system continues, that is, if the Japanese remain fragmented and procrastinate on decisions in areas such as how to reinvent an alliance, more uncertainties will arise about the future of Japan and its global and regional roles. When China keeps rising, when the United States focuses 60 percent of its forces on the Asia Pacific, and when the United States strives to maintain the A2/AD strategy *vis-à-vis* China, what strategy should Japan take? Public opinion is not clear on this question. “Japan and World Trends”,²⁵ an internet survey frequently poses this question: When the United States and China are contesting each other in the Asia Pacific, what do you think is your preference for Japan’s foreign policy? Six responses are listed: firstly, neutrality with the current defence level intact; secondly, neutrality with a conventional defence buildup; thirdly, neutrality with nuclear armament; fourthly, alliance with the United States while keeping a strategic and mutually beneficial relationship with China; fifthly, build an East Asian community, excluding the United States and the European Union; sixthly, another scheme and finally, don’t know. To a small surprise, option 3, the option both the governing party and the largest opposition party support, captures no more than 25 percent of respondent responses. The sum of option 1, option 2 and option 3, all various neutrality options, account for more than 50 percent of the respondent choices. Since option 1 is not feasible, support for this strategy may be dismissed. Similarly, option 3 is not easily feasible without significant ramifications. Option 4 accounts for some 15 percent of respondent replies. Other ordinary random-sampled surveys like the Yomiuri survey yield similar results although somewhat different questions are asked. The point is that the Japanese are fragmented and are procrastinating. Two decades from now, what will a Japanese strategy look like? Even if Japan seeks peace, the outcome might be more preparations for the use of force if only because the United States and China seek primacy and equality respectively.

Conclusion

In speculating on Asian security in each of the three major countries, the United States, China, and Japan, I have focused on what each Power yearns for most and with what means each Power seeks to achieve its goal. Yet when each Power focuses its effort on its first priority, something odd is bound to occur. The United States

²⁴ Acemoglu and Robinson, *op. cit.*

²⁵ Japan and World Trends 2012, http://www.japan-world-trends.com/ja/cat-95/hhh_2.php.

seeks primacy and yet R&D investment in weapons gets prohibitively expensive. China seeks equality at home and abroad, at home alleviating extractive institutions and abroad equal sovereignty, and yet China's military modernisation depends on these very same extractive institutions. Japan yearns for peace and apparently seeks armed neutrality, but in the end may require a stronger capacity to deter potential adversaries and defend the country. The two decades between 2013 and 2033 will be an era of uncertainty, which makes it difficult to provide a good forecast for how power relations among the three states will unfold. A better prospect can be seen in the domestic arena at home, that is, how each Power seeks its priority and how it might achieve it. In an era of deep globalisation, the battle appears to be waged more at home.