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**Under Secretary of Defense (Policy)
1999 Summer Study Final Report**

ASIA 2025



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1999 Summer Study Final Report**

ASIA 2025

**Organized by the
Advisor to the Secretary of Defense for
Net Assessment**

**25 July - 4 August 1999
Newport, Rhode Island**

PREFACE

The following report provides a summary of a Summer Study conducted for the Under Secretary of Defense (Policy). The Summer Study, directed by Andrew W. Marshall and James G. Roche with the working group chaired by S. Enders Wimbush, met from 25 July – 4 August 1999 at the Naval War College, Newport, Rhode Island. This was the thirteenth in a series of summer studies undertaken to review fundamental issues and questions of importance to the defense planning process.

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Introduction

Asia in 1999 looks very different from only a few years before, and by 2025 it may change quite dramatically. Some drivers of this change are apparent, while the outlines of others that are plausible and probable, though not predictable, reside just below the surface. We may forecast with some confidence that some, perhaps many, of these drivers could fundamentally change the nature of the strategic competition, and hence, of military planning and engagement in Asia in the next two decades. In the process of change, US strategic and operational interests might be challenged in unprecedented ways. The 1999 Summer Study explores complex alternative worlds in Asia and the implications for US strategic and operational planning of these worlds.



Asia 2025



Under Secretary of Defense (Policy)

1999 Summer Study

25 July - 4 August

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Objectives

The objective of this Summer Study is to explore what Asia might look like and what challenges it might present to defense and national security planners until about the year 2025. Our motivation in choosing this topic and this approach is straightforward. First, we are concerned that many people in the defense planning community believe that the future will be largely a projection of the present; that is to say, that the future is imaginable as an extrapolation of today's visible patterns and trends. This Summer Study suggests that while some trends may be projected meaningfully to reveal some of the future, we are likely to be surprised by the "non-linear" nature of the events and forces that shape Asia's new strategic environment. Second, the Summer Study is an effort to put a wider range of plausible futures in front of defense establishment planners. The year 2025 was chosen as the outward boundary for this exercise to permit us to consider new technologies and other developments that are not yet upon us. But we caution that some events that we describe could occur much earlier in the new century. In general, the tempo of change throughout Asia seems to be accelerating.

For the purposes of this examination, Asia is defined as stretching from the Pacific to Central Russia and from the Arctic Ocean to the Indian Ocean and the Persian Gulf. We have attempted to take a long-term view of the region and to create and analyze a limited set of alternative Asian worlds.

Scenarios by their nature are speculative. The scenarios in this briefing are neither predictive nor inclusive, nor are they based necessarily on observable trends. Rather, they are highly imaginative descriptions of things that could happen, not things that necessarily will happen or that the DoD expects to happen. The scenarios presented here are intended to suggest how the alternative Asian futures might arise and where they might lead; where conflicts might occur; and how US interests might be challenged. There are many possible scenarios, and this study does not claim to present the entire range of possibilities. In fact, the team developed a number of scenarios for each "family" developed here, although with the exception of the "family" on China, only one representative scenario from each family is presented. The group was asked to concentrate on what kind of plausible surprises might arise in Asia; that is, where things might go seriously wrong or, uncharacteristically, right.

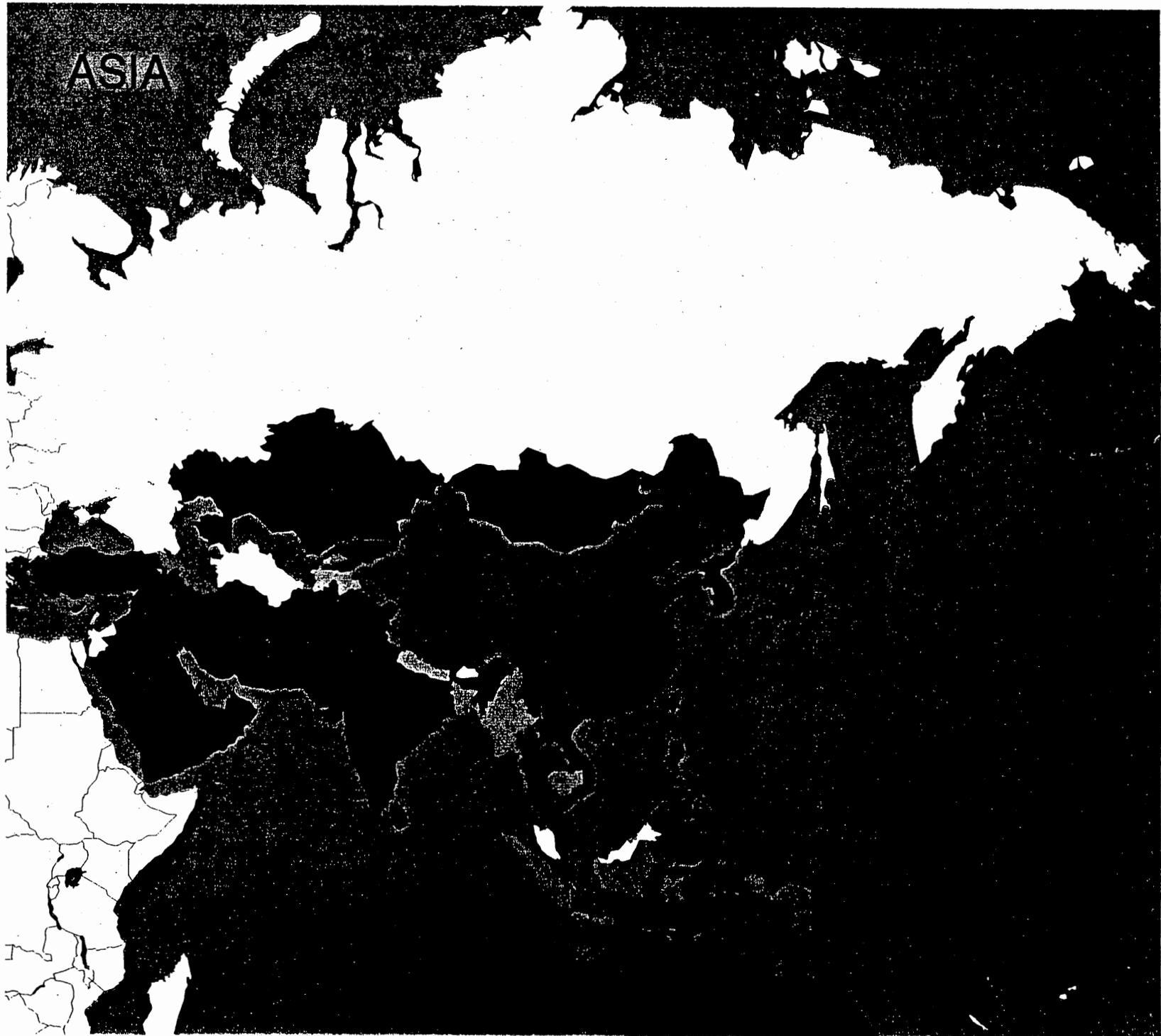
This approach is intended to uncover the implications of possible alternative new worlds for DoD planners. Each scenario raises a variety of challenges that the DoD may wish to consider. Several challenges – e.g., the need for more long-range projection ability – appear in most scenarios, which suggests that these challenges are most worthy of DoD consideration.

Objectives

- Focus on long term (2025)
- Analyze limited set of alternative Asian futures -- not predictive or exhaustive
- Emphasis on plausible surprises in Asia
- Analyze implications for DoD

Asia Map

For the purposes of this examination, Asia is defined as stretching from the Pacific to Central Russia and from the Arctic Ocean to the Indian Ocean and the Persian Gulf. We have attempted to take a long-term view of the region and to create and analyze a limited set of alternative Asian worlds.



Asian Security Environment 2025

The future security environment in Asia will be influenced by the wide availability of certain military capabilities, in part because they will be traded on the world arms market. Among these capabilities are long-range precision strike weapons (such as ballistic or cruise missiles, using GPS or the Russian GLONASS for guidance) and long-range reconnaissance capabilities (e.g., using commercial satellite-based services and UAVs). We may also see the proliferation of what we have called "hi-tech/low-skill" systems, i.e., weapons embodying sophisticated technology that are nevertheless relatively easy to use. Consider, for example, the effectiveness with which Afghan guerrillas were able to use man-portable anti-aircraft weapons against the Soviets. In the worlds presented here, we see such capabilities more widely distributed. It is likely that proliferation of weapons of mass destruction (WMD) will continue and that more states in the region will have WMD in 2025. Power projection over long distances and targeting capabilities will not be the significant constraints that they are today.

As a result, states in the region may have powerful methods of acting and influencing the behavior of their neighbors that do not involve the threat or use of major forces for invasion, conquest, or occupation of territory. Instead, force will be used and objectives will be attained increasingly through strategies that seek to coerce, intimidate, or deny access.

(More complete analysis of WMD proliferation trends in Asia can be found in Appendix III - **NOTE: Appendices printed separately.**)

Asian Security Environment 2025

The widespread availability of:

- Long-range precision strike capability
- Hi-tech/low-skill weaponry
- Long-range reconnaissance
- Asymmetric capabilities

will give actors powerful ways to achieve strategic leverage: coercion, intimidation, denial.

Research Questions

We asked ourselves:

Which trends might influence the strategies of the main actors, and how might precipitous events combine with these trends to change the strategic dynamics?

What kinds of military capabilities might Asian actors acquire to pursue their strategies, and how might they use them?

What kinds of geopolitical and military realignments might take place and why?

How might changing dynamics affect the US ability or willingness to operate in Asia in the next few decades?

Research Questions

- Trends/strategies
- Events/dynamics
- Military capabilities
- Geopolitical and military realignments
- Operational concerns

Potential Implications for DoD (2) – New Operational Focus

First, in the worlds we envision, the strategic dynamic shifts from Northeast Asia toward the south and west (toward India, Indonesia, and Iran), where the big events that determine the future of Asia are likely to occur. We note that in these worlds the effects and implications of events and conflict – even if they are small and entail limited uses of force – tend not to remain confined to discrete theaters (e.g., a Korean crisis, a Taiwan crisis), but rather radiate across regions and sub-regions. For example, the scenarios suggest that events that occur in Central Asia could have direct or 2nd order consequences in Northeast or Southeast Asia, and that events in Indonesia could radiate both northward to Japan and westward to the Persian Gulf; that is, across traditional “regions” and, coincidentally, across US commands. In these worlds, there are many more moving parts or parts capable of moving, and there is more coupling among them.

Potential Implications for DoD (2)

New Operational Focus

- Shifts from Northeast Asia toward Southeast, South and Central Asia
- Events are not localized, but radiate across regions and sub-regions
- More “moving parts” and more coupling among them

Potential Implications for DoD (3) – New Character and Forms of Alliances

Second, the DoD is likely to be faced with having to operate in security relationships that look little like the kind or forms to which we are accustomed. In these worlds, formal and fixed alliances give way to more varied, more fluid, less formal arrangements, often with non-traditional partners, like India or Iran. Capabilities will vary greatly in these new alignments. Moreover, in many cases there will be inherent pressure on the United States to accept selective WMD proliferation among the former formal allies as well as potential WMD use in these new worlds in Asia.

Potential Implications for DoD (3)

New Character and Forms of Alliances

- Formal alliances yield to more fluid alignments
- Possible new alignments among non-traditional partners
- Pressure on US to accept selective WMD proliferation

Potential Implications for DoD (4) – New Operating Conditions

Third, the DoD will probably have to consider a range of new operating conditions in Asia 2025. Some of the realities are likely to be stark. For example, the United States probably will have few operating bases in most of these regions and it will have to depend more heavily on immature infrastructure. We were struck by the unintended and unanticipated maritime emphasis of our scenarios. Operations in these worlds will be at longer distance, in larger and more complex theaters. There are likely to be fewer classic confrontations of the last resort, force-on-force, conquest of territory types. Rather we envision at least some engagements of a more discrete nature, against asymmetrical opponents or non-state actors. Moreover, the environment will probably be characterized by many states' ability to project power in a variety of non-traditional ways, for example using long-range missile strikes. These new technical capabilities and the strategies that rely on them will give rise to new forms of strategic warfare, such as coercion and intimidation, that replace invasions of neighboring countries by large ground forces. These theaters may not be easily recognizable as traditional MRCs. Importantly, the United States may be forced to operate in states that have failed or are failing, where the United States has no central strategies or objectives, and little opportunity for classic war termination solutions or exit strategies. Pakistan and Indonesia emerge from our scenarios as two candidates to fail and disintegrate.

Potential Implications for DoD (4)

New Operating Conditions

- Few US operating bases; lack of infrastructure
- Strong maritime emphasis
- Longer distances
- Larger, more complex theaters
- More discrete/asymmetric engagements; non-state actors
- Failed or failing states

Potential Implications for DoD (5) – New or Enhanced Capability Requirements

Fourth, new operating conditions necessitate new or enhanced capability requirements. More long-range power projection will be required. Force will have to be projected against evolving threats, probably over great distances, making planning difficult and timely intelligence essential. Protection against emerging threats – such as long-range strikes or asymmetric threats – will become more important. If we are correct that WMD will be more readily available to a wider variety of actors and that these actors will have greater incentives to use it, we need to consider how we respond to, and operate in, a post-WMD-use environment.

Potential Implications for DoD (5)

New or Enhanced Capability Requirements

- More longer range power projection
- Force protection against evolving threats
 - Long-range precision strike
 - Asymmetric threats
- Post-WMD-use environment: How to operate? How to respond?

Demography

The group explored a number of trends that we can project with some accuracy that could figure prominently in how the principal actors develop strategies for competing in the Asian worlds of 2025. Two in particular stand out – demography and energy.

Current demographic trends – which are one of the firmest bases for predicting Asia's future – are likely to change Asia in profound ways that have unpredictable consequences. Yet, demographic trends and their potential consequences have received little attention by the defense planning community. This study demonstrates repeatedly that the consequences of demographic change will affect the ability of states to compete in the new strategic environment.

How will these emerging demographic trends affect states' strategic calculus? Will an older populace be less willing to send their youth to war? Will the costs of supporting an older population – entitlements, health care and other attendant costs – divert government resources away from military spending? It remains unclear. What is clear is that demographic considerations will factor into each state's decision-making processes.

(More complete analysis of demographic changes in Asia can be found in Appendix I - **NOTE: Appendices printed separately.**)

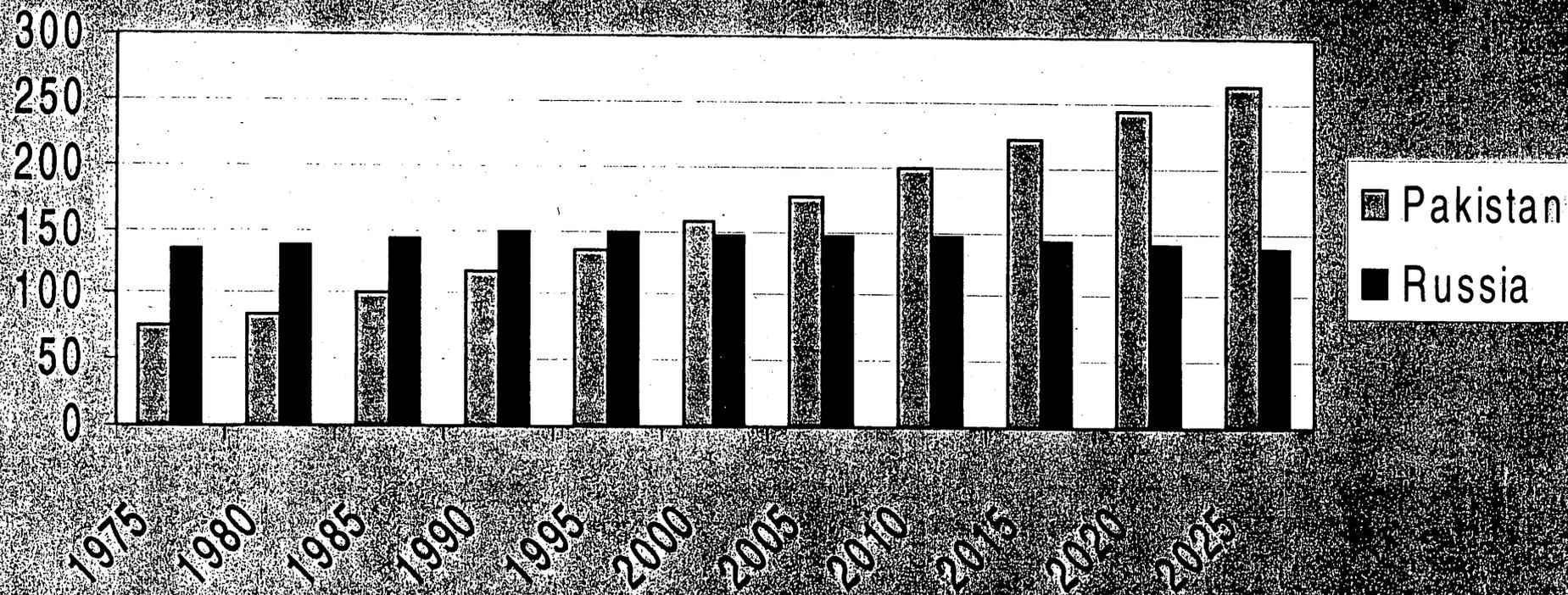
Demography

- Changes in relative size
- Falling growth rates
- Internal composition changes
 - Age shifts
 - Rich before old, or old before rich?
 - Gender imbalances
- Strategic decisions
 - Casualty tolerance decline?
 - Spending on military

Estimated and Projected Population: Pakistan vs. Russia

First, some countries with large populations will become relatively smaller, and some states with smaller populations will become relatively larger. On a basic scale of who is big and who is small, there will occur some significant shifts. The changing demographic fortunes of Russia and Pakistan illustrate this point dramatically.

Estimated and Projected Population: Pakistan vs. Russia 1975-2025 (millions)

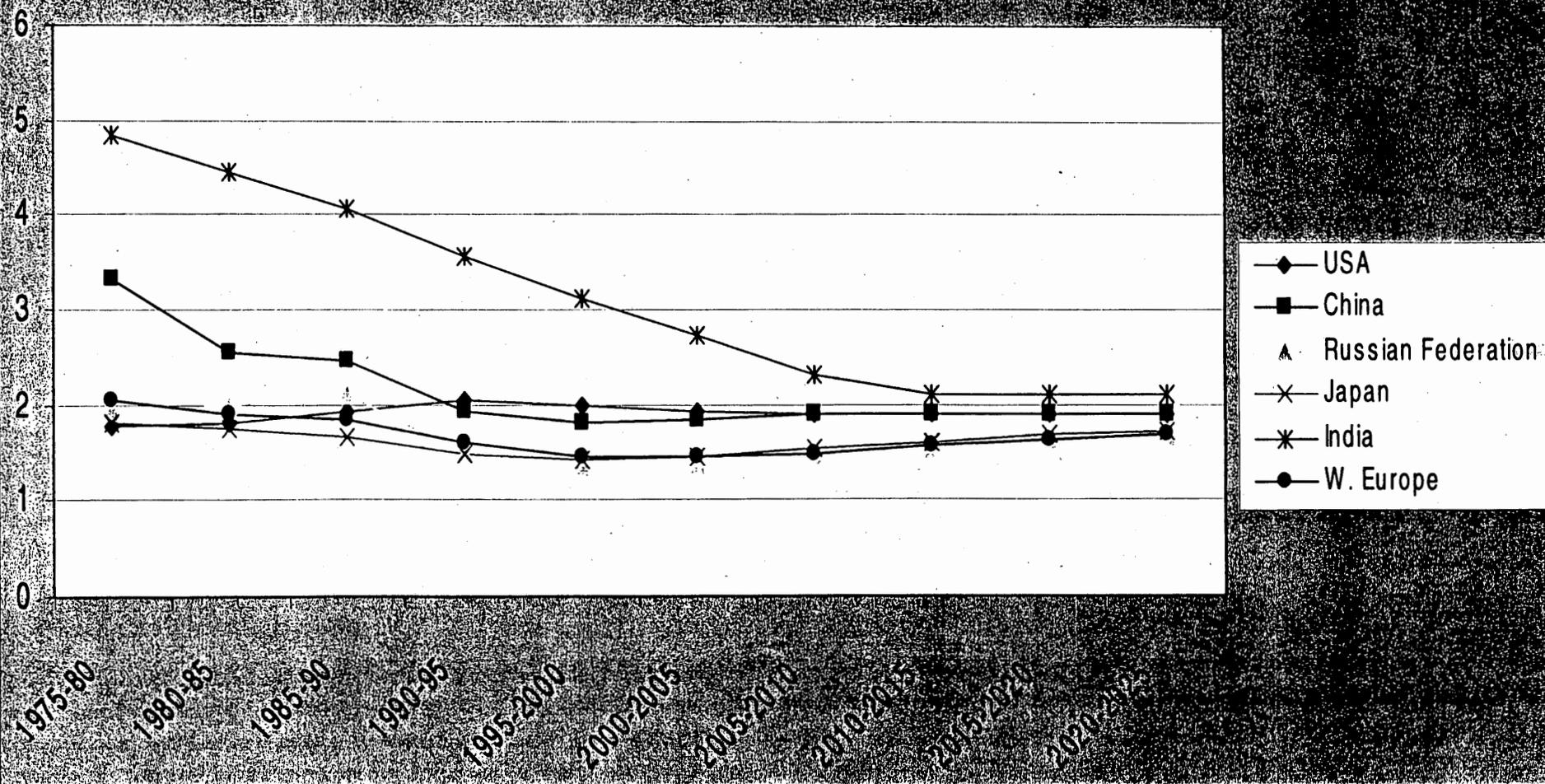


Source: *World Population Prospects, The 1998 Revision*, UN Population Division.

Actual and Projected Total Fertility Rates, Major Powers

Second, it must be noted that while populations continue to grow in all major states of Asia, the end of growth is in sight. Current fertility rates in Asia are below replacement; the only major exception is India, which is nearing replacement. This transition will have important and varying implications for key Asian actors.

Actual and Projected Total Fertility Rates Major Powers, 1975-2025



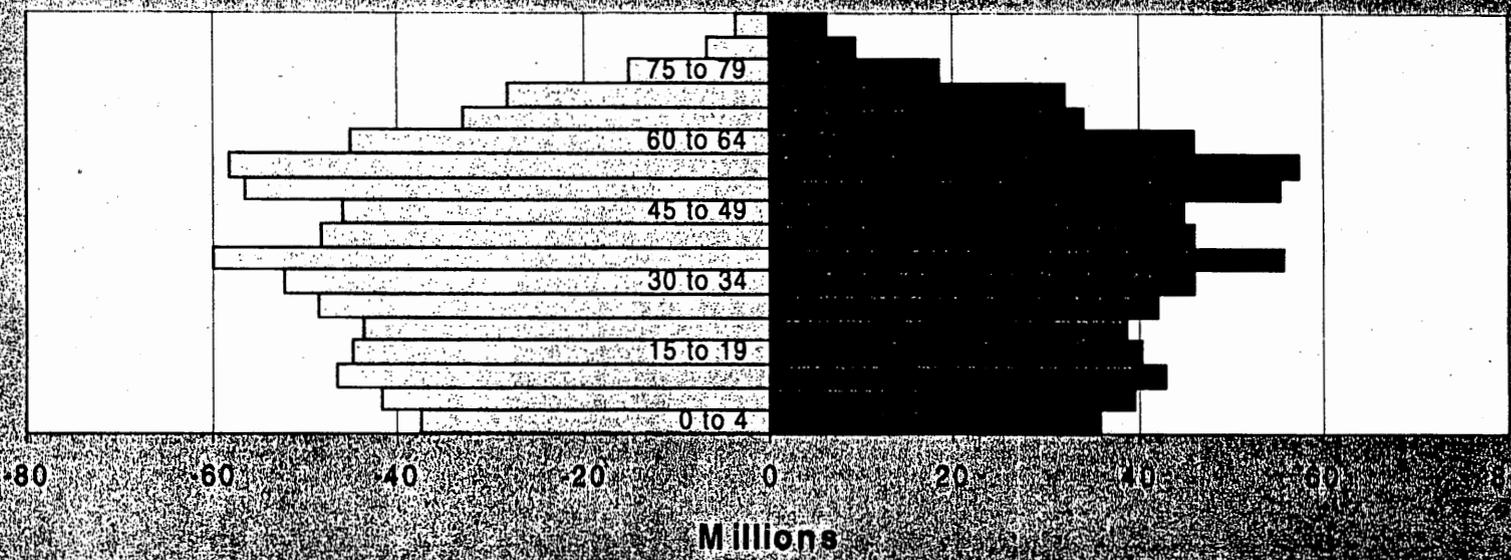
Note: "Medium-variant" projections. Total fertility rates are the number of births per woman per lifetime.

Source: UN Population Division.

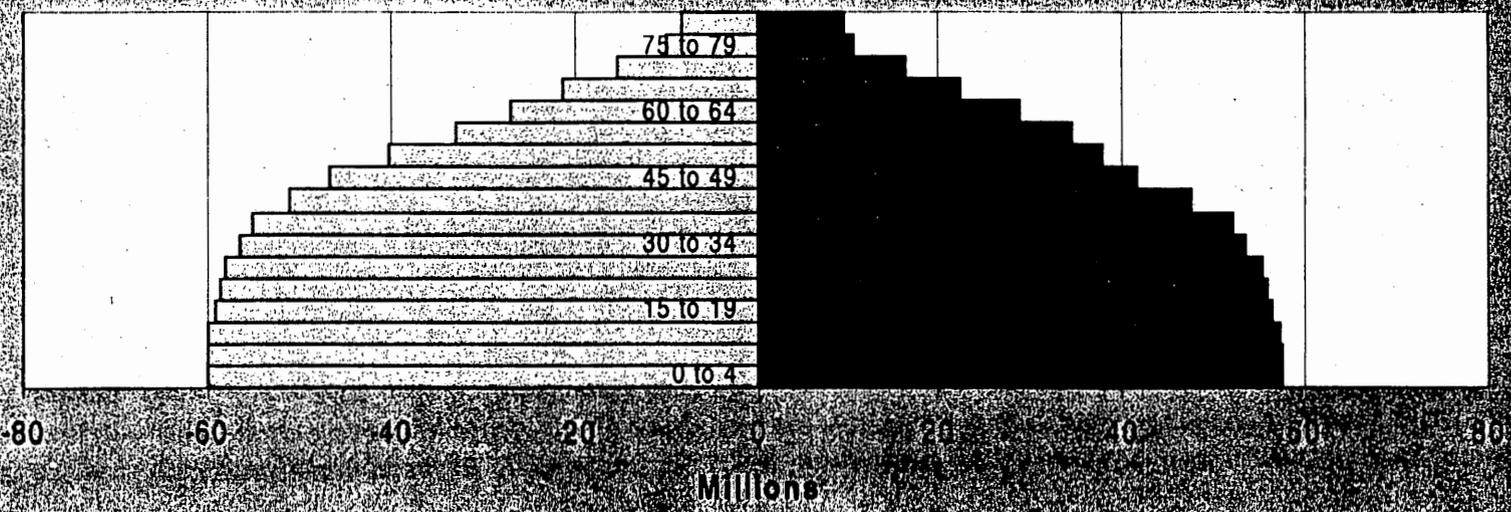
Population Structure: China vs. India

Third, the internal composition of states' populations are changing significantly and has implications for each state's potential power. For example the difference in age structure between China and India asserts that China will age rapidly during the period under examination, while India will remain young. Age distributions will affect the ability of countries to field militaries and sustain casualties, to build labor forces, and – if one accepts the conventional wisdom that high-tech advances are usually spearheaded by young people – to make rapid technological breakthroughs. Moreover, it now is becoming clearer that China will not follow Japan's demographic route; that is to say, that China will get old before it gets rich, unlike Japan which grew rich before it grew old. Alternatively, India, with its positive age structure, has at least the potential to grow rich and powerful before it gets old.

Population Structure: China 2025



Population Structure: India 2025

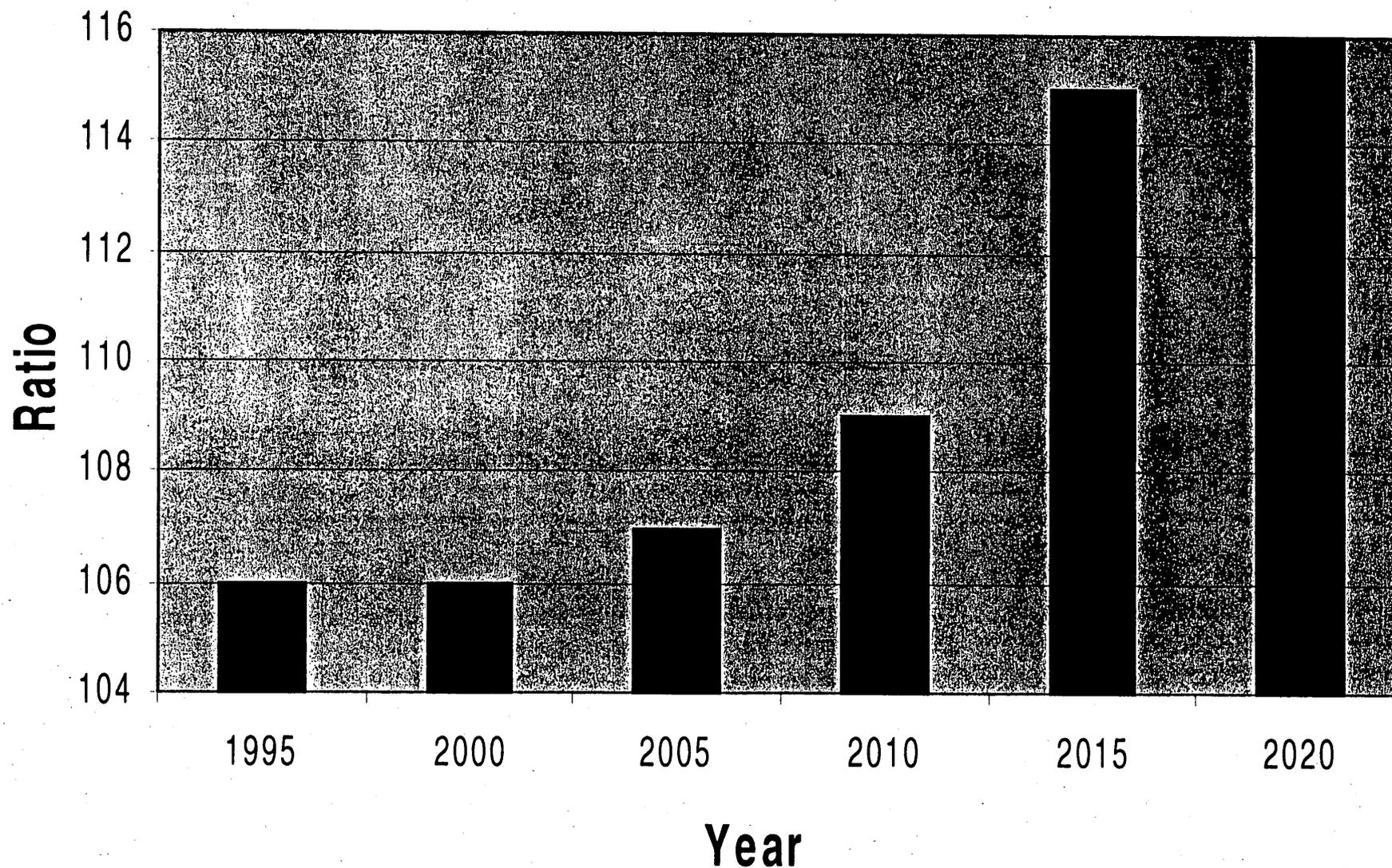


Source: US Census Bureau.

Estimated and Projected Sex Ratios in China

Gender imbalances will also afflict most major Asian countries, where sons are preferred over daughters. China, in particular, will have a surplus of 15-25 million marriage-age men over women by 2015. What does a country with 20 million unmarriageable men do? What kind of reproductive strategy does it follow? A large cohort of men who feel unwanted and rejected could create unforeseen and unpredictable social problems. Perhaps these men are fodder for the next war.

Estimated and Projected Sex Ratios, 20 to 24 Age Group, China 1995-2020 (men per 100 women of same age group)



Energy

Asia will be the center of growth in energy (oil, gas, and coal) in the future. In fact, the US Energy Information Agency (EIA) estimates that over half of the world's projected incremental demand over the next two decades will occur in developing Asia, in which the EIA includes all of Asia, except Japan, New Zealand and Australia.

The growing number of oil and liquified natural gas (LNG) tankers coming from the Middle East will increase the pressures on already congested strategic chokepoints, specifically the Strait of Malacca, the Strait of Hormuz, the Indian Ocean and the South China Sea. The Strait of Malacca, in particular, will be a critical chokepoint for a dangerously high amount of energy-related tanker traffic. This growing dependence on long-haul SLOCs will likely drive a naval focus in many of the Asian states' military strategies.

The shift to gas, which is the preferred fuel among Asian states, changes the strategic geography in Asia by giving energy consumers new choices. But this shift also reinforces the importance of traditional and potential oil suppliers – the Middle East, Indonesia, and the Caspian Sea, since gas tends to co-locate with oil. The advent of gas also focuses attention on Russia, Iran, Central Asia, Bangladesh, Myanmar, and Australia. Russia is the strategic prize for gas.

(Additional analysis of energy trends in Asia can be found in Appendix II - **NOTE: Appendices printed separately.**)

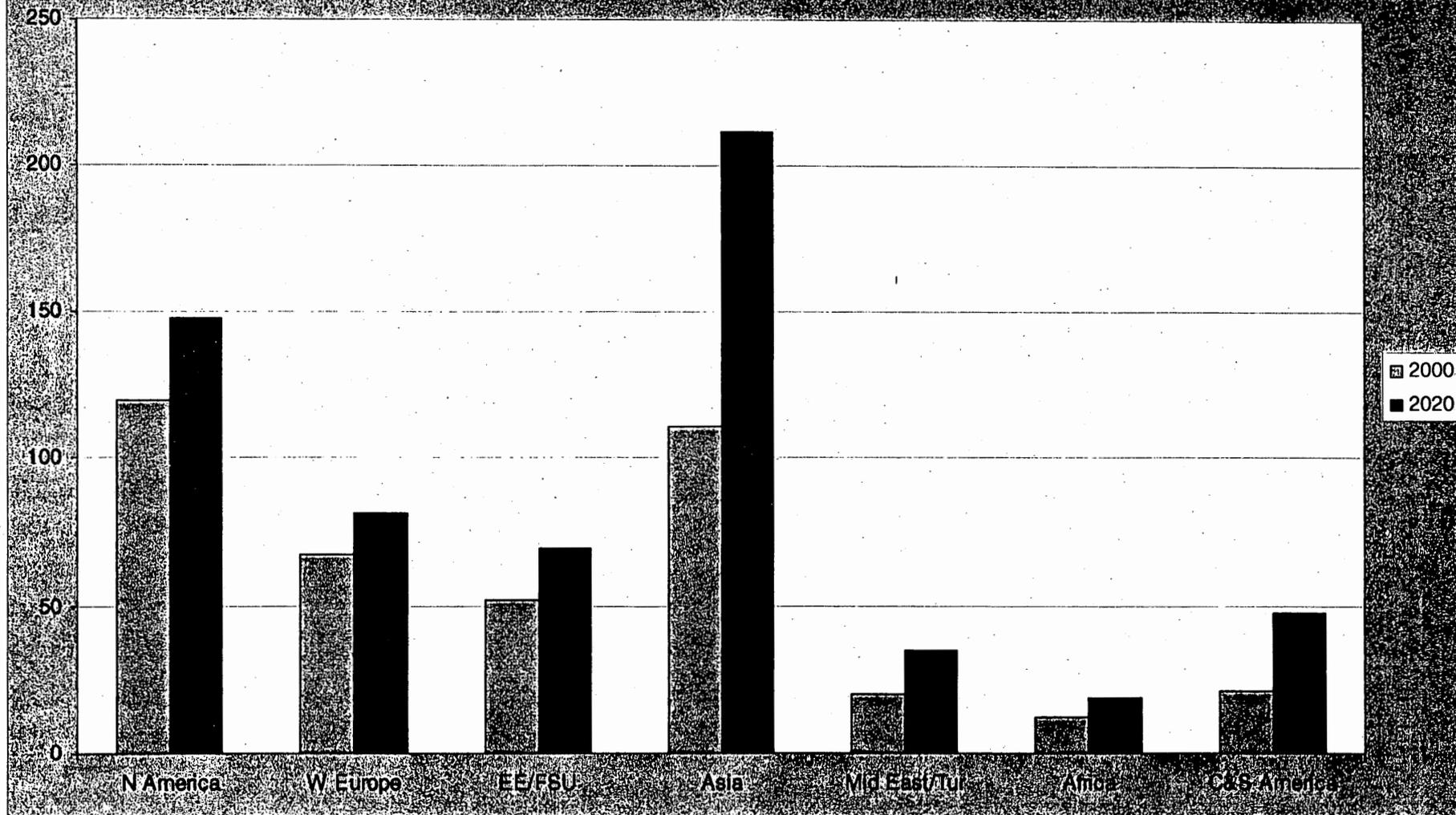
Energy

- Asia will be world's principal consumer
- Middle East: orientation shifts toward Asia
 - Growing pressure on SLOCs in Asia drives naval focus
- Gas changes strategic calculus
- Multiple energy fronts

World Energy Consumption by Region

The IEA estimates world energy consumption will grow by 2.3 percent per annum between 1995-2020. During this period, Asia's primary energy demand is predicted to grow at a rate of 3.9 percent, down from its 6-7 percent annual growth rates before the financial crisis. The crisis slowed the trends, but did not reverse them. Asia's demand will overtake North American demand by 2015. By 2020, Asia's energy consumption will be nearly three times greater than Europe's.

World Energy Consumption by Region, 2000 and 2020 (Quadrillion Btu)



Note: Reference case data.

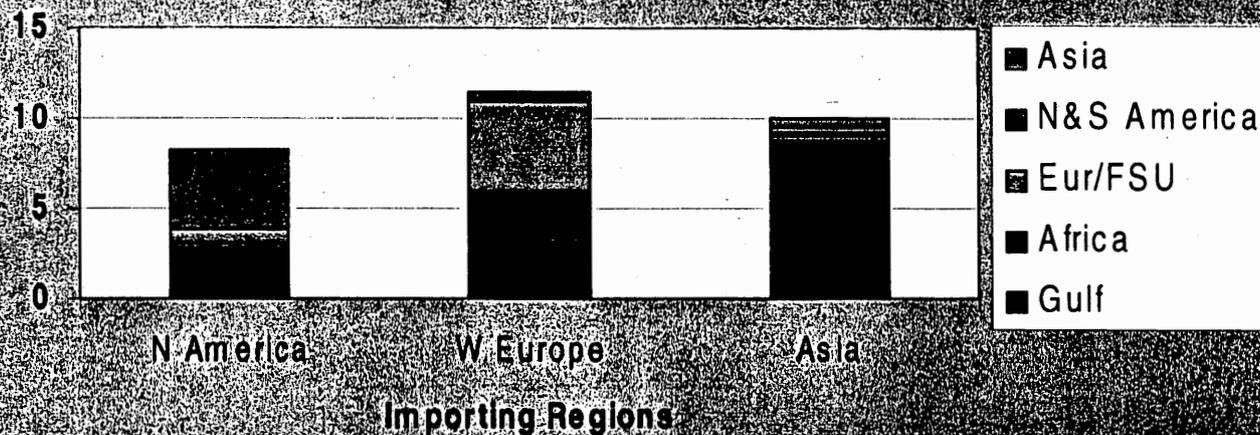
Source: *International Energy Outlook 1999*, International Energy Administration.

Primary Import Flows, 1995 and 2020

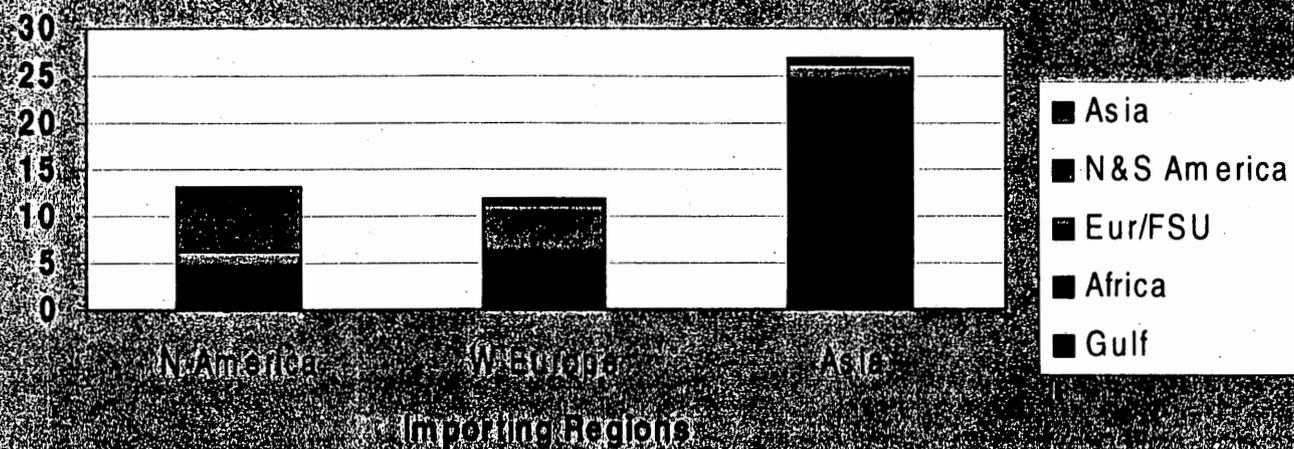
During the next two decades, most of Asia's oil will come from the Middle East. By 2010, East Asia will import approximately 70 percent of its oil with 93 percent of it coming from the Middle East. During the same period, European and US reliance on the Middle East will decline in relative and absolute terms. The end of the Cold War removed the Soviet threat in the Middle East, and both Europe and the United States have reduced their dependence on Middle Eastern oil to approximately 25 percent of their total demand. By 2025, the United States will import most of its energy from the Western Hemisphere and West Africa, and Europe's stagnant demand will be met by the North Sea, Russia, and North and West Africa.

We are likely to see the Middle East shift its orientation eastward, as Asian actors assimilate the importance of the Middle East in their national security calculations.

Primary Import Flows in 1995
(million barrels/day)



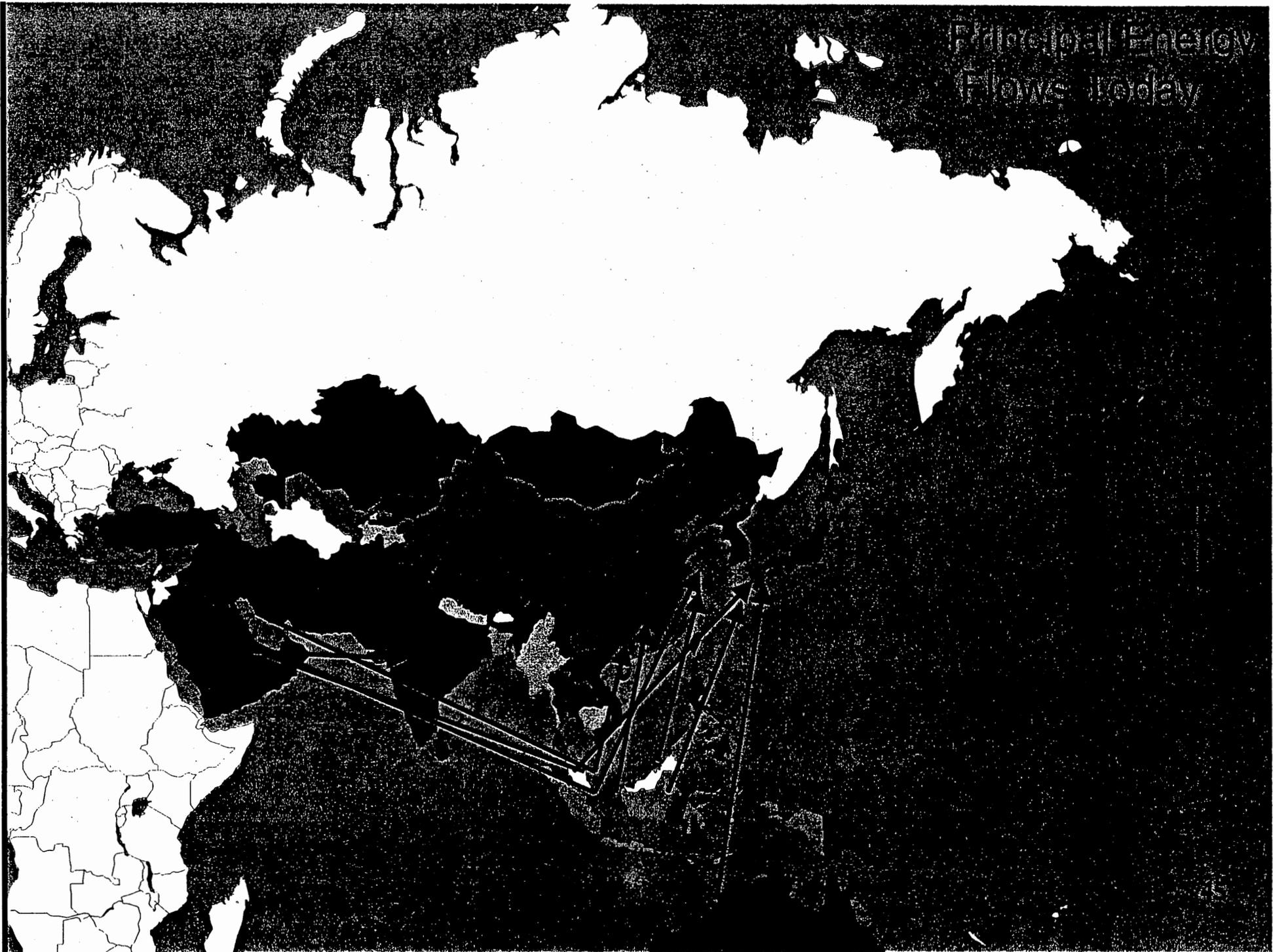
Primary Import Flows in 2020
(million barrels/day)



Note: Reference case data.
Source: *International Energy Outlook 1999*, International Energy Administration.

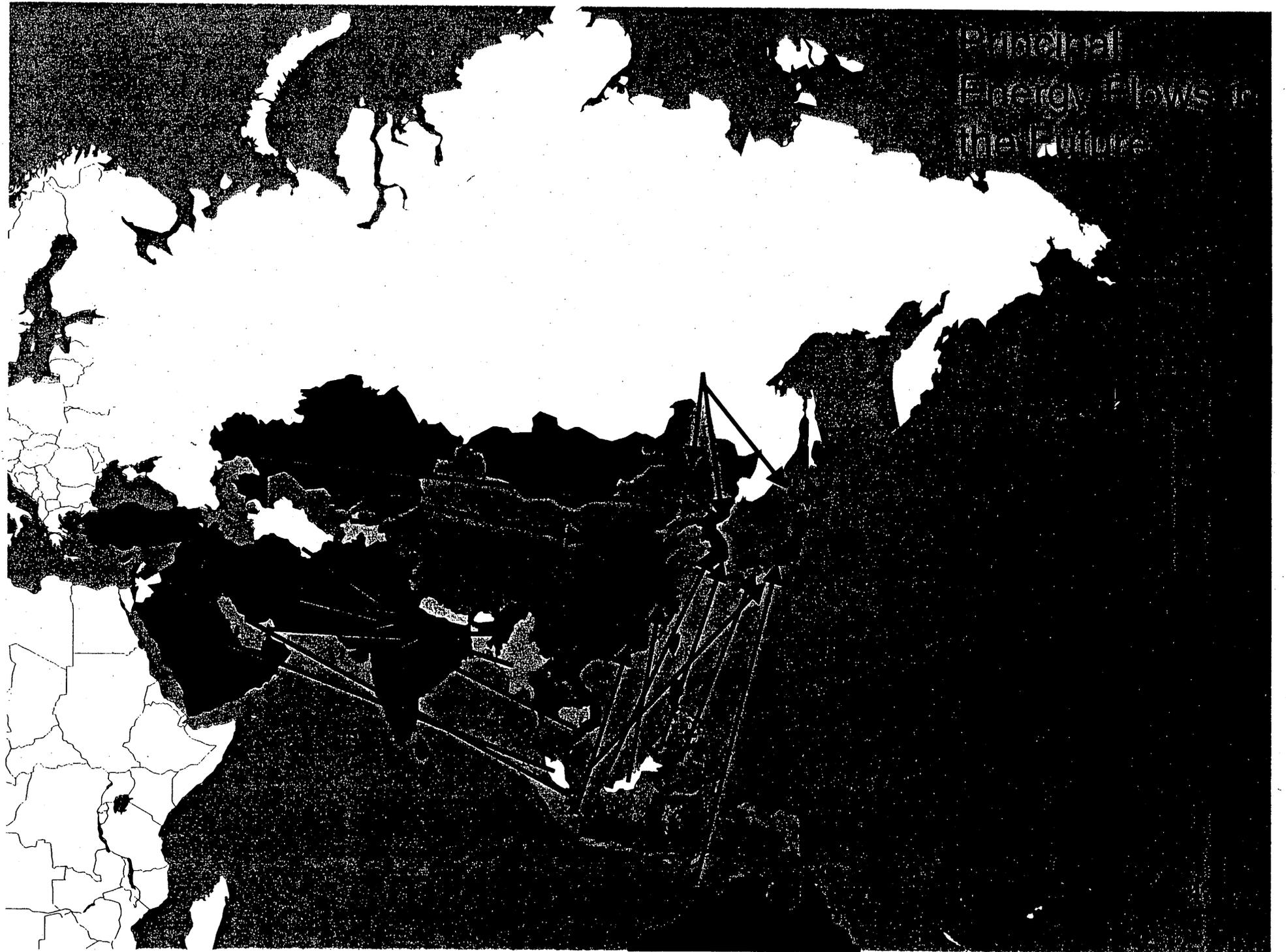
Principal Energy Flows Today

In the future, countries with one or two energy fronts will be faced with multiple energy fronts. Today we see principal energy flows for most Asian consumers coming from one or two fronts – oil from the Middle East and gas from Southeast Asia.



Principal Energy Flows In the Future

In the future, it is projected that many Asian consumers will be taking large quantities of oil and gas from a number of directions. For example, in a decade, India's gas will come from three or four directions – from the Middle East, Central Asia, Bangladesh and Southeast Asia. China poses the most interesting case. Its energy will be coming from all directions – the Middle East, Central Asia, the Russian Far East, Southeast Asia, Africa, and possibly Western China.



Global
Energy Flows in
the Future

Scenarios Suggest ... (1)

Throughout this exercise the group was struck by the apparent contradictions between the way US planners currently think about Asia and the way they will need to think about the worlds we describe. The contradiction is frequently great.

Although the allocation of US military assets between Europe and Asia is about equal, planning for engagement in the two regions is not. Planning attention remains heavily focused on Europe where there are few foreseeable threats. Europe is the preferred destination for top officers, and US command staffs in Europe are more elaborate and better-manned. The US command structure for Europe holds almost a 4-to-1 advantage over Asia in flag officers. Approximately 85 percent of the military officers in language training currently are learning European languages, while few study Chinese, Thai, Vietnamese, Persian, Hindi, Urdu, Uighur or any of the languages or dialects of Indonesia, to name some of the most obvious deficiencies. If one accepts the logic of this study that many, if not most, foreseeable threats will be in Asia, the DoD must consider redressing this balance.

Similarly, in Asia our preoccupation with Northeast Asia – where conflict indeed is possible – tends to divert our focus away from other plausible conflict arenas. Conflicts threatening US vital interests in the scenarios are likely in the Southeast, South and Central Asia, where the United States is least able to deal with emerging challenges. Asia is a big place and the United States is focused on only one part of that space.

Scenarios Suggest... (1)

Most US military assets are in Europe where there are no foreseeable conflicts threatening vital US interests. The threats are in Asia.

Preoccupation with Northeast Asia may distract the military from emerging conflicts in Southeast, South and Central Asian regions.

Scenarios Suggest ... (2)

The scenarios suggest that the inclination to view Asia as a discrete series of sub-regions and potential conflicts – e.g., a Taiwan crisis – is too simple. Rather, the conflicts foreseen in these scenarios have unexpected ripple effects across regions that will be augmented and accelerated by new military capabilities. Indeed, regions tend to merge, making the conflict landscape more complex and challenging. As one member of the group put it: This is not your father's MRC.

Scenarios Suggest... (2)

Our inclination to view Asia as a series of discrete regions and potential conflicts is mistaken.

Conflicts have unexpected ripple effects across regions; they will be fought with new technologies and will be more complex.

Future conflict in Asia will not be your father's MRC.

Scenarios Suggest ... (3)

The scenarios suggest that US concentration on particular actors today may be mistaken when planning for tomorrow. The group was struck by the number of dramatic role reversals. For example, several states currently at the center of US thinking will be marginal in the worlds envisaged. Russia is one such example, and Japan is another. Meanwhile, states that reside on the margins of our current thinking move dramatically into the center of our future worlds. India is the most stunning case. India appears to have embarked on a major reassessment of its strategic position in Asia. Its strategists for the first time in many decades contemplate engagement beyond the India-Pakistan rivalry and its lingering concern about an aggressive China to address India's emerging national security concerns in the Gulf, Central Asia and Southeast Asia. It has become a forthright nuclear power and is developing other impressive weapon arsenals. The scenarios in this study suggest ways that India might go about achieving its new ambitions. Whether Indians can actually get organized effectively to carry out these ambitions remains to be seen. Many experts believe that India's progress will be slow. Nonetheless, India probably will command the attention of US defense planners in unprecedented ways.

Scenarios Suggest ... (3)

Roles flip:

- Several states that are at the center of US thinking will be at the margin (e.g., Russia).
- Several states that are currently on the margin of US thinking will be at the center (e.g., India).

Scenarios Suggest ... (4)

Throughout its scenario building, the group repeatedly questioned why these conflicts might take place in a world where globalization had brought everyone closer together through pervasive economic integration and information transparency. To be sure globalization promotes economic growth and integration, but it also creates the context for increased conflict by promoting inequalities among and within states. In fact, globalization is one of the causes of, or direct contributors to, conflict in our scenarios. While it integrates on one hand, it simultaneously facilitates the spread of WMD technology to state and non-state actors and increases asymmetric threats by accelerating the flow of technology to potential foes. Finally, globalized media tends to draw the United States into conflicts where vital US interests might not be at stake (the "CNN effect"). Globalization in our worlds is no panacea.

Scenarios Suggest... (4)

Globalization is a double-edged sword. Economic integration may reduce conflict but, it also ...

- Facilitates access to WMD technology for both state and non-state actors
- Increases asymmetric threats
- Heightens the risk of drawing the US into conflicts

Scenarios Suggest ... (5)

The scenarios suggest that being a superpower in these worlds might not be enough to pursue one's interests effectively. The scenarios are full of coalitions with specific and often unique strategies and capabilities that tend to marginalize US presence and power. Importantly, these coalitions use the pace of events, the multiplicity of theaters, and the complexity of the strategic landscape to develop distinct and decisive advantages over the United States. Being big and powerful is not enough in these worlds.

CONCEPT

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- [Faint, illegible text]
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THE

ECONOMIC [Faint, illegible text] LEGIONS [Faint, illegible text]
[Faint, illegible text]

POTENTIAL [Faint, illegible text]

Scenarios Suggest... (5)

Even if the US remains the only superpower, this may not be enough to pursue its interests effectively.

Coalitions could arise that marginalize US presence and power.

The pace of events, complexity of the strategic landscape, and the multiplicity of theaters could give lesser powers distinct and decisive advantages in the region.

Asia Realigns Title

This family of scenarios suggests how a series of events leads to the United States being pushed out of Asia. In the wake of the US departure, it is not difficult to imagine fundamental realignments taking place, including Japan and India searching for new security arrangements. When the United States receives a “bloody nose” in a Taiwan Straits crisis – in combination with the withdrawal of US forward presence in Northeast Asia – major actors are propelled into undertaking different types of responses and relationships that undercut traditional US strategies for alignments and balance of power in the region, yet still involves US interests.

Asia Realigns



Asia Realigns (1) – Assumptions

2005: Korea does not unify, but a peace treaty is signed. North Korea continues to exist as a failed state on life support provided by the regional powers all of whom prefer the status quo to the uncertainties that unification of the peninsula would bring. The two Koreas live in peaceful coexistence.

Both the South Korean and Japanese governments anticipate the debate a Korean peace would generate for the continued stationing of a US military presence in the region and do everything in their power to keep the Americans engaged. They make official statements expressing unadulterated support for US forces in Japan and Korea. They also increase their respective shares of host nation support to unprecedented levels, basically covering nearly 100 percent of the costs of the US forward presence.

Despite these efforts, ultranationalist groups in South Korea and Japan prompted by the end of the North Korean threat oppose the continued US presence. The Chinese are also wary of and seek to undermine the US foothold in the region. A series of political and terrorist acts are directed against US forces. No one is certain who is the responsible party (Korean nationalists? Japanese Red Army terrorists? China?). But the damage is done and a groundswell of support in the United States emerges for pulling American servicemen and servicewomen out of East Asia.

As a result, over the next ten years, US forces are phased out of South Korea, Japan, and Okinawa.

Asia Realigns (1)

Assumptions

- Korean peace treaty signed in 2005 - North Korea continues on life-support
- Political and terrorist campaigns lead to US force withdrawal from Korea
- Over the next 15 years, US forces are phased out of Japan and Okinawa

Asia Realigns (2) – 2015 Situation

Japan becomes acutely concerned about the US withdrawal. These concerns center on two issues: First, with a peaceful coexistence between the two Koreas, Korean nationalists increasingly channel their animosity toward Japan, causing Tokyo to fret about the deterioration in bilateral relations since the peace arrangement. Second, the Japanese worry about the potential for a WMD program or programs on the peninsula based on tacit cooperation between the two Koreas. Japan is also acutely aware of the power vacuum left by a US withdrawal and the aggrandizing effects this may have on Chinese ambitions in the region.

Japan decides it has no other choice but to enhance its capabilities. It simulates a nuclear weapons detonation using super computer technology, thereby confirming its virtual nuclear weapons capability yet abiding, at least nominally, by its non-nuclear principles.

As a deterrent against China, Japan also engages Taiwan in mutual defense discussions and quietly aids Taiwan in pressing forth with its own nuclear weapons program.

Asia Realigns (2)

2015 Situation

- Japan responds to US withdrawal:
 - Becomes concerned with resurgent Korean nationalism and potential WMD programs
 - Simulates nuclear weapons detonations using super computer technology
 - Engages Taiwan in mutual defense discussions
 - Helps Taiwan develop a nuclear weapons program

Asia Realigns (3) – Chinese Calculus

2015: China's Ministry of National Defense's Office of Net Assessment produces a report on the "Future of East Asian Security" that notes the following points:

- The United States effectively has no forward presence in Asia as drawdowns over the last decade have left it without bases in South Korea or Japan.
- At the same time, US force structure, based on programs through the end of the 20th century and beginning of the 21st Century, still emphasize short-range tactical fighters (F/A-18, F-22, JSF).
- The most likely place the United States is able to utilize such forces in the region, given its departure from Korea and Japan, would be from Taiwan.
- Taiwan is on the verge of becoming a nuclear power with Japanese help.
- Demographic trends indicate that as China "ages" it will be increasingly less competitive with other competitors, such as India.

The report is widely read and distributed to the highest levels of political and military leadership in Beijing. After serious deliberations and vigorous internal debate, the Chinese government reaches the conclusion that the "window of opportunity" for attaining a "one-China outcome" is rapidly closing. Beijing adheres to its policy that it would not act if the status quo in the Straits remained unchanged; however, the following factors lead them to think otherwise:

- A Taiwanese nuclear capability is imminent.
- The Democratic Progressive Party (DPP) is now dominant in Taiwan.
- An apparent US desire to develop bases in Taiwan raises concerns.
- All leading Taiwanese politicians and presidential candidates favor independence.

A PRC national security directive is issued; it is titled: "The Status Quo has Changed Fundamentally."

Asia Realigns (3)

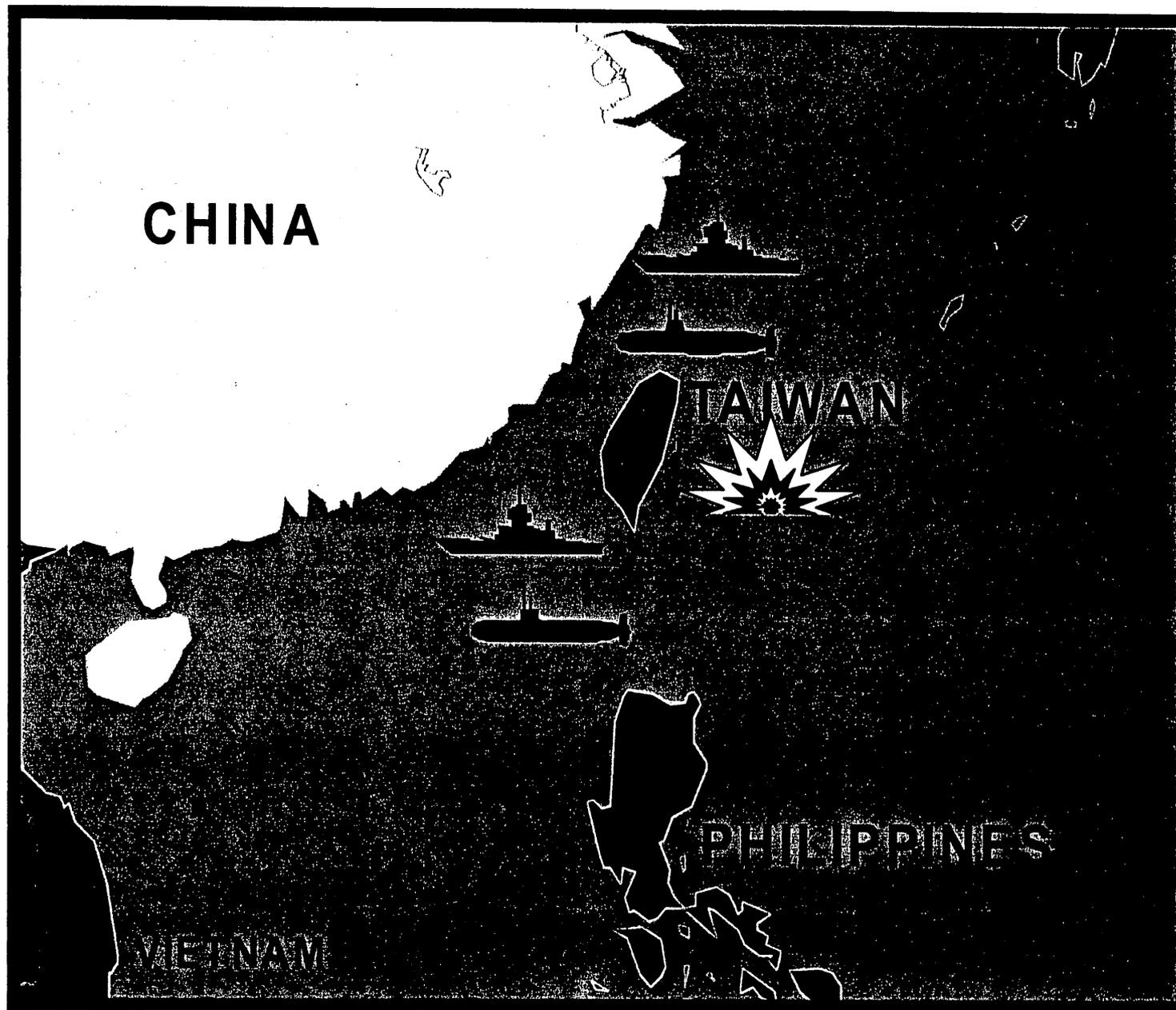
Chinese Calculus

- 2015: China's Office of Net Assessment notes:
 - US forward presence now limited
 - Short-range US forces (F/A-18, F-22 and JSF) suggest US interest in Taiwan
 - Taiwan's nuclear capability
 - China's demographic factors turning negative
- China acts
 - Propaganda campaign
 - Anti-proliferation quarantine
 - Deploys navy to the vicinity of Taiwanese ports
 - Engineers "event" with Japanese merchant ship

China Acts - Map

Beijing takes a series of actions to address these new developments. It initiates a propaganda campaign against alleged Taiwanese-Japanese nuclear weapons collaboration, appealing to international non-proliferation groups. Then, in the name of global counter-proliferation efforts, China announces a "quarantine" of Taiwan and deploys naval forces including submarines at the northern and southern tips of the island. The quarantine is to prevent any ships with cargo that might enhance Taiwan's nuclear ambitions. In the process of carrying out this quarantine, the Chinese ram a Japanese merchant ship near a Taiwanese port, thereby heightening tensions in the area and provoking Taipei's call for US support.

CHINA ACTS



Asia Realigns (4) – Confrontation and Response

Confrontation

As was the case in 1996, the United States diverts a carrier battle group (CVCBG) to Taiwan as a demonstration of US support. China tracks the CVBG operations using commercial intelligence, surveillance and reconnaissance (ISR) and organic capabilities in addition to merchant ships, fishing and naval vessels.

As CNN broadcasts from the deck of the carrier, China launches a missile barrage on the carrier as it heads for its position east of Taiwan. At one hundred miles from the Taiwan coast, several “leakers” strike the US carrier deck causing major fires, aircraft loss, and significant loss of life.

US Response

The Chinese strike renders the carrier incapable of continuing its mission and the carrier and escorts return to Pearl Harbor to offload casualties and conduct repairs.

The United States immediately responds with SSN and B-2 strikes against Chinese warships and naval facilities. China escalates by announcing that the quarantine is now a full-scale blockade, sinks several ships with missiles and mines, and conducts missile strikes on Taiwanese ports.

The United States hesitates. While it prepares for a major deployment, it acknowledges that without bases in the theater, such a deployment will take some months. Meanwhile, the Taiwanese stock market crashes and its economy ceases to function. Taiwanese confidence crumbles and in a difficult decision, they negotiate an agreement with Beijing. Taipei renounces any nuclear ambitions and the leading presidential candidate withdraws his independence platform and steps out of the race.

Asia Realigns (4)

Confrontation and Response

- US diverts a carrier battle group to Taiwan
- China launches a missile barrage against carrier
- US SSNs and B-2s retaliate against Chinese warships and naval facilities
- China escalates blockade, sinks ships, launches missile attacks on Taiwanese ports; the US blinks
- Taiwanese confidence crumbles and they negotiate an agreement with China

Asia Realigns (5) – A Changed Region – 2020

Asia's major actors respond in different ways to the US "bloody nose" in the Straits crisis and to the US withdrawal of forward presence in Northeast Asia. In Japan, the US withdrawal prompts a sea change in its defense policy. Both self-help and external balancing behavior characterize Japan's response. Trying to remain nominally within its non-nuclear principles, Japan effectively becomes a covert nuclear power. It increases its naval forces and anti-missile defenses. At the same time, Japan remains open for the first time since World War II to developing new regional defense partners in lieu of the United States.

India sees the US withdrawal as an opportunity to elevate its position in the Asian prestige hierarchy. India, which has been developing a blue water navy, accelerates its program and is capable of out-of-area deployments. Like the Japanese, it also remains open to new defense relationships and an enhanced diplomatic role in regional security issues, particularly in the Persian Gulf.

Asia Realigns (5)

A Changed Region - 2020

- Japan sees US withdrawal as a danger:
 - Covertly deploys nuclear weapons
 - Increases naval forces and anti-missile defenses
 - Seeks to develop regional defense partners
- India sees US withdrawal as an opportunity:
 - Develops blue water navy capable of out-of-area deployments
 - Seeks enhanced diplomatic role in regional security issues, especially in Persian Gulf region

Asia Realigns (6) – Trouble in the Gulf 2023

Iran-Iraq Conflict

2023: Hostilities between Iran and Iraq resurface with Iranian naval activity against Iraq. Iraq responds with large-scale mine deployments in the Gulf. Oil prices worldwide spike in response to the crisis. The United States considers large-scale naval deployments to stabilize the situation. However, as the United States contemplates this action, Iran, in an unexpected move, requests Indian assistance in removing the mines from the area.

India responds positively to the Iranian request and Indian naval units are effective in both clearing mines and escorting tanker traffic. India and Iran jointly demand that the United States not inflame the situation by intervening. Oil prices stabilize. The United States maintains ships in the Gulf, but is largely seen as irrelevant.

India-Japan Cooperation

2025: As Chinese influence in Asia grows with the receding of the US military presence, there is also a growth in piracy, particularly in the South China Sea. Estimated losses in cargo per annum are easily in the tens of billions of dollars, driving up the price of commodities and consumer goods worldwide.

Although pirates operate trans-nationally without overt links to any particular government, it is increasingly clear that the Chinese do little to prevent these incidents and are widely suspected to be in tacit support. These suspicions are clearly and publicly confirmed when several cases of “hot pursuit” involving pirates end up on China’s south coast where pursuers are turned away by the Chinese Navy.

In spite of these recent revelations, China announces an international and transnational effort that it intends to lead to combat piracy in the region. The effort is portrayed as multilateral Asian cooperation, but it is effectively a Chinese play for dominance of the South China Sea.

Japan is outraged at this transparent Chinese act of extortion. It does not respond to the Chinese proposal and seeks out new partners. It realizes that the only other liberal democracy in Asia with substantial size and capability, and similar threat perceptions, is India. Over a period of months, Japan and India quietly explore forms of diplomatic and military cooperation. None of these are explicitly anti-China in focus, but instead, are conducted under the veneer of Asia’s two most advanced market democracies seeking to become friends with common interests, particularly SLOC protection.

Asia Realigns (6)

Trouble in the Gulf - 2023

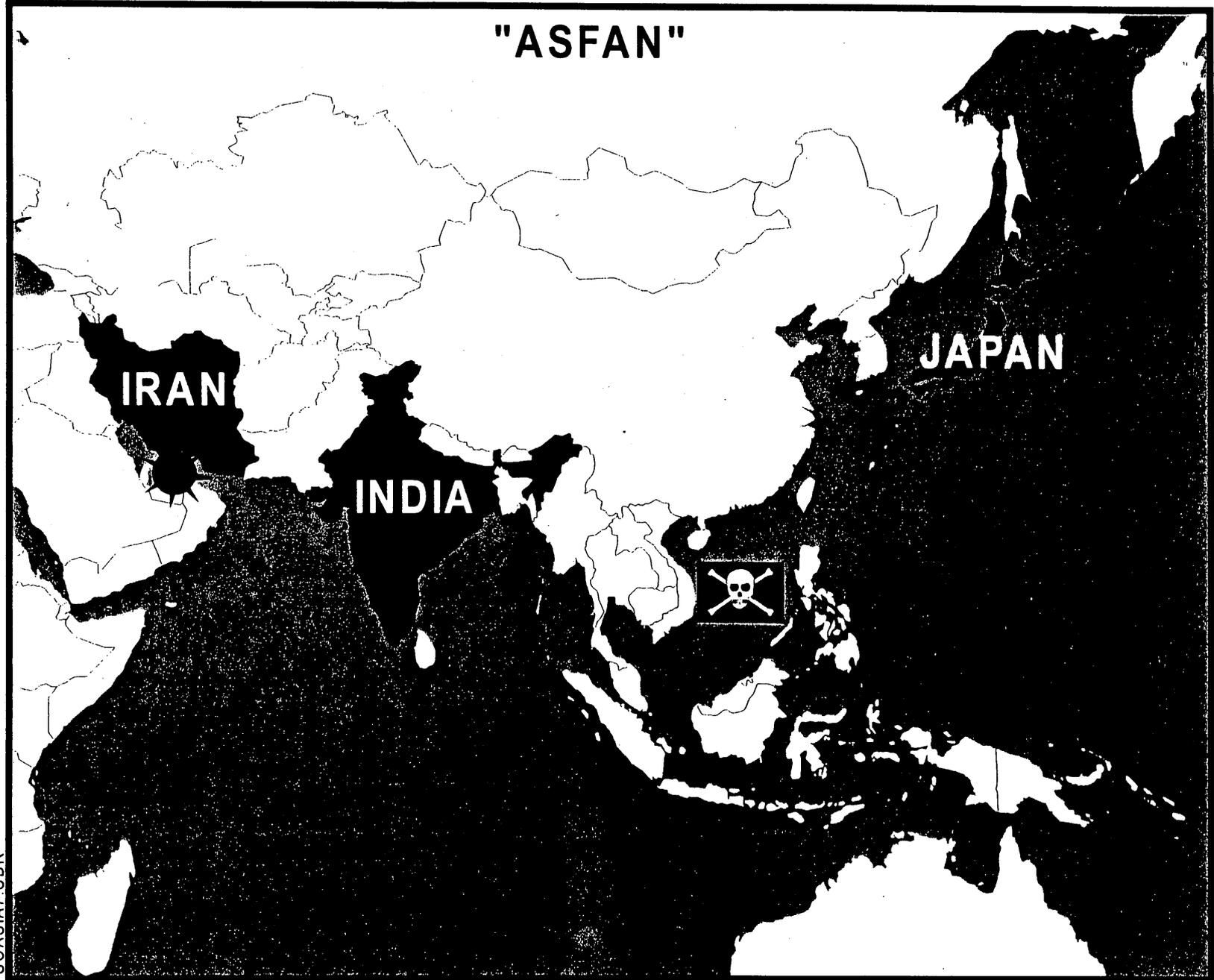
- Iran-Iraq conflict: Iran requests India's assistance
 - Indian naval units are effective in both clearing mines and escorting tanker traffic, stabilizing oil prices
 - While US maintains ships in the Gulf, it is seen as irrelevant
- India-Japan cooperation continues
 - Against China-sponsored pirates in South China Sea
 - In formation of ASFAN (Association of Sea Faring Asian Nations)
- China excluded

Association of Sea Faring Asian Nations (ASFAN) – Map

The first manifestation of this growing relationship is the formation of ASFAN (Association of Sea Faring Asian Nations). This is a regional organization, co-chaired by Japanese and Indian retired admirals, which is dedicated to countering regional piracy. All nations, including China, are invited to join. The United States is asked to make a token financial contribution to the group as a symbol of its support for freedom of navigation and as a fellow democracy. Iran joins with great interest. China does not respond to the invitation.

Rise of India

"ASFAN"



SOASIA7.CDR

Asia Realigns (7) – DoD Challenges Suggested by Scenario

- What the DoD normally thinks of as effective deterrents can become vulnerable targets, with devastating effects. A successful strike against an aircraft carrier, a unique symbol of US power, could significantly damage US credibility and prestige. One of the key permissive conditions for such an outcome is the increasing vulnerability of non-stealthy platforms.
- Lack of forward operating bases or cooperative allies greatly limits the range of US military responses to such contingencies. This conclusion is well known and can be arrived at without a futuristic scenario but deserves stating nonetheless.
- Short-range tactical aircraft programs currently planned may be of lesser value. Moreover, the *unintended consequences* can be dire if adversaries assume that an adversary's force structure offers insights into its basing needs. For example, in this scenario, US short-range fighters actually increase China's incentive to act because the absence of bases in South Korea and Japan leads China to believe that the United States will seek out Taiwan as the next base for these planes. Without forward presence in the region, longer-range projection capability is essential.
- The United States needs a rapidly deployable anti-missile capability.
- New coalitions, new partners, and old partners under new circumstances:
 - This scenario suggests how the absence of US presence in the region can raise the prospect of new coalitions and relationships that form among Asian players or between the United States and Asian states. How should the United States deal with this? What role will it play within these new alignments?
 - “Mixed motive”: there are parts of the coalition (e.g. Iran-India) that the United States may not feel comfortable supporting; and there are parts (e.g. India-Japan) that might be more palatable.
 - “Ad hoc”: coalitions that come together based on an issue or threat, rather than a derivative of a long-standing alliance. In the former case, there are fewer rules, no templates, and no necessary history of cooperation as in the case of alliances.
 - “Cushioning capabilities”: How does the United States conduct coalition exercises without revealing the full extent of US capabilities, especially in the area of C4ISR.
- Implicit in this scenario is also the trade-off that might be faced by the United States between a receded forward presence and nuclearization of those formerly within the US defense umbrella. Does the United States accept selective proliferation in place of its physical presence?

Asia Realignment (7)

DoD Challenges Suggested by Scenario

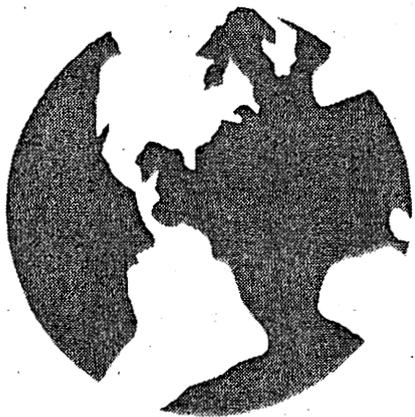
- Traditional deterrents can become targets
- Lack of forward operating bases or cooperative allies
- Longer-range projection capability required
- Require rapidly deployable anti-missile capability
- Mixed motive or ad hoc coalitions: how does US cooperate, share?
- Pressure on US will build to accept selective proliferation to compensate for reduced forward presence?

The New South Asian Order Title

In this scenario the virtual collapse of rule of law in Pakistan triggers a number of cascading effects across the region. Two states disappear and the region stabilizes. A powerful subcontinental confederation emerges, which results in a reorientation of Central Asia to the south and east. Such a world does not threaten US interests if it has close ties with India.

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The New South Asian Order



The New South Asian Order (1) - The Region in 2010

Pakistan is near collapse. Ongoing economic crises, internal ethnic conflict, and increasing inability of the government to provide law and order make Pakistan increasingly unstable. Sindhis, Baluch, and Pathans, who have long resented a Punjabi-dominated Pakistan, rebel. Mohajirs (Muslims who emigrated from India after the 1947 partition) take to the streets. Islamic extremism adds to the instability in two forms: Taliban destabilization efforts and the growing power of the Jamaat-i-Islami party.

India combines political decentralization (states and regions gain more power) and economic reform successfully. Economic growth accelerates helped by favorable demographic trends, particularly steep declines in population growth rate, and an influx of foreign investment.

In Afghanistan, the Taliban are unable to dominate non-Pashtun (Tajik, Uzbek, and Hazara) areas. It becomes a hotbed for radical Islamic movements active throughout the region.

Iran's moderation and democratization improve its relations with United States. This is far from an alliance, but it is a substantial improvement in the bilateral atmosphere: diplomatic ties have been established, sanctions have been waived, and economic ties are growing.

China's resurgence and belligerence in East Asia prompts tacit US-India cooperation.

US military presence remains focused on Northeast Asia with troops concentrated in Japan and South Korea.

The New South Asian Order (1)

The Region in 2010

- Pakistan near collapse
- India broad progress
- Afghanistan anarchic hotbed
- Iranian moderation
- Strong China
- US focused on Northeast Asia

The New South Asian Order (2) – Indo-Pak War

By 2012, Pakistan's government is paralyzed and losing control of Islamic forces in the country. Islamic extremists infiltrate Kashmir in growing numbers and escalate violence. India demands that Pakistan end the Islamic incursions. When Pakistan fails to respond, India moves into Azad Kashmir (Pakistani-occupied Kashmir) and masses forces on Pakistan's borders. Pakistan issues a nuclear ultimatum for Indian withdrawal from Azad Kashmir.

The Chinese echo Pakistan's ultimatum and begin mobilizing along India's eastern flank between Nepal and Bhutan to sever the Mizoram-Nagaland-Assam-Sikkim outpost of India and threaten to use "all available means to stop Indian aggression." The United States urges restraint by all players. Despite other flashpoints, the United States sends naval forces (carrier battle group) to the Bay of Bengal and warns China to stay out.

The New South Asian Order (2)

Indo-Pak War 2012

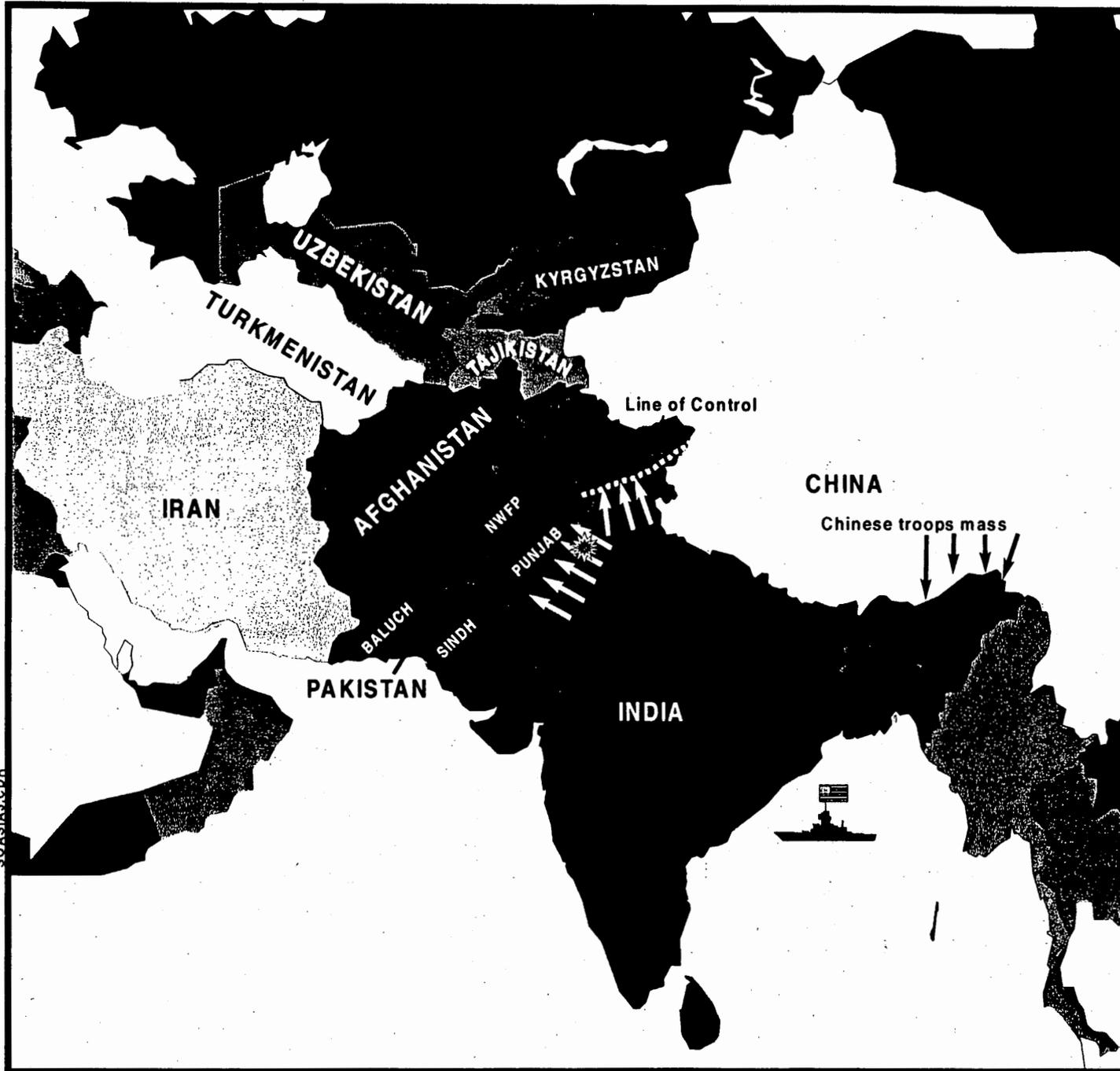
- Pakistan paralyzed
- Indo-Pak face off over Kashmir
- China threatens India; US warns China
- India uses conventional strikes against Pakistan nukes; Pakistan retaliatory nuclear strike
- US conventional strike on remaining Pakistan nukes
- China blinks at US-India collusion

Indo-Pak War – Map

Fearing the use of nuclear weapons by Pakistan, India launches an unsuccessful conventional strike on Pakistani offensive nuclear capabilities. Driven by a “use it or lose it” syndrome, Pakistan launches nuclear strikes against Indian forces along their shared border.

Based on intelligence reports that radical Islamists in the Pakistani military joined by the Jamaat-I-Islami (a Pakistani Islamist movement) are seizing the remaining Pakistani nuclear weapons, the United States launches a conventional strike on Pakistan’s nuclear sites. The extraordinary US action is also motivated by a desire to preempt a full-scale nuclear exchange between Pakistan and India. The United States strikes by deploying deep-penetration warheads launched from B-2 to destroy Pakistan’s remaining nuclear forces. Faced with the reality of US-Indian cooperation, China backs off on the northeastern front.

INDO-PAK WAR



SOASIA3.CDR

The New South Asian Order (3) – States Disappear, Indian Confederation Emerges

Total anarchy prevails in Pakistan. The Indian army moves in to restore order and establish control.

As the country disintegrates, Pakistan's regions accede incrementally to India. The Sindhi, Baluch, and NWFP parliaments vote to join an Indian-led confederation. An Indian Confederation emerges. Isolated Punjab is compelled to join the confederation and merges with its Indian counterpart to form a greater Punjab province within confederation. India's central government grants extensive internal autonomy to the confederal units in exchange for control over their defense and foreign policies. The Indian Confederation becomes a polity in which states have wide autonomy. Economically vibrant, the confederation is recognized as the regional hegemon and an economic magnet for trade and energy flows.

The disappearance of Pakistan and the emergence of the Indian Confederation have cascading effects across Central Asia. Afghanistan, which was on the verge of collapse, is pushed over the edge. It is dismembered by its neighboring states – Iran, Tajikistan, Uzbekistan – who move in to annex the territory controlled by their own ethnic groups. Regional powers extinguish the Taliban's power in the remaining Pashtun rump state, which then joins the Indian confederation. Iran is the big winner with aspirations to create a greater Persian state. It too is drawn into closer alignment with the Indian Confederation.

The New South Asian Order (3)

States Disappear, Indian Confederation Emerges

- 2013-15:
 - Anarchy in Pakistan
 - Pakistan accedes incrementally to India
 - Emergence of Indian Confederation; regional hegemon
- 2015-18:
 - Cascading effects in Central Asia
 - Afghanistan disintegrates
 - Iran, India collaborate; pick up Afghan pieces

The New South Asian Order (4) – South Asian Environment

By 2020, the Central Asian/South Asian environment has changed fundamentally. Pakistan has disappeared. A regional superstate – the Indian Confederation – has emerged. The stabilization of Central Asia allows the construction of energy pipelines from Central Asia via Iran to the energy hungry sub-continent. The East-West orientation of energy and commerce in Central Asia gives way to a new North-South orientation. Iran becomes the main transit country, and Karachi the main port, to the East Asian markets. The Kazakhstan–China pipeline becomes economically non-viable. The Indian Confederation cements security ties with Iran and the Gulf states. The Indian Navy guarantees SLOC protection of Middle East and Caspian energy through the Strait of Malacca. The US security role in the Persian Gulf devolves to India and Iran.

The New South Asian Order (4)

New South Asian Environment

- Pakistan disappears
- South Asian superstate emerges
- Central Asia consolidates and stabilizes
- Total reorientation of energy and economic flows from E-W to N-S axis
- India-Iran axis emerges with Gulf orientation

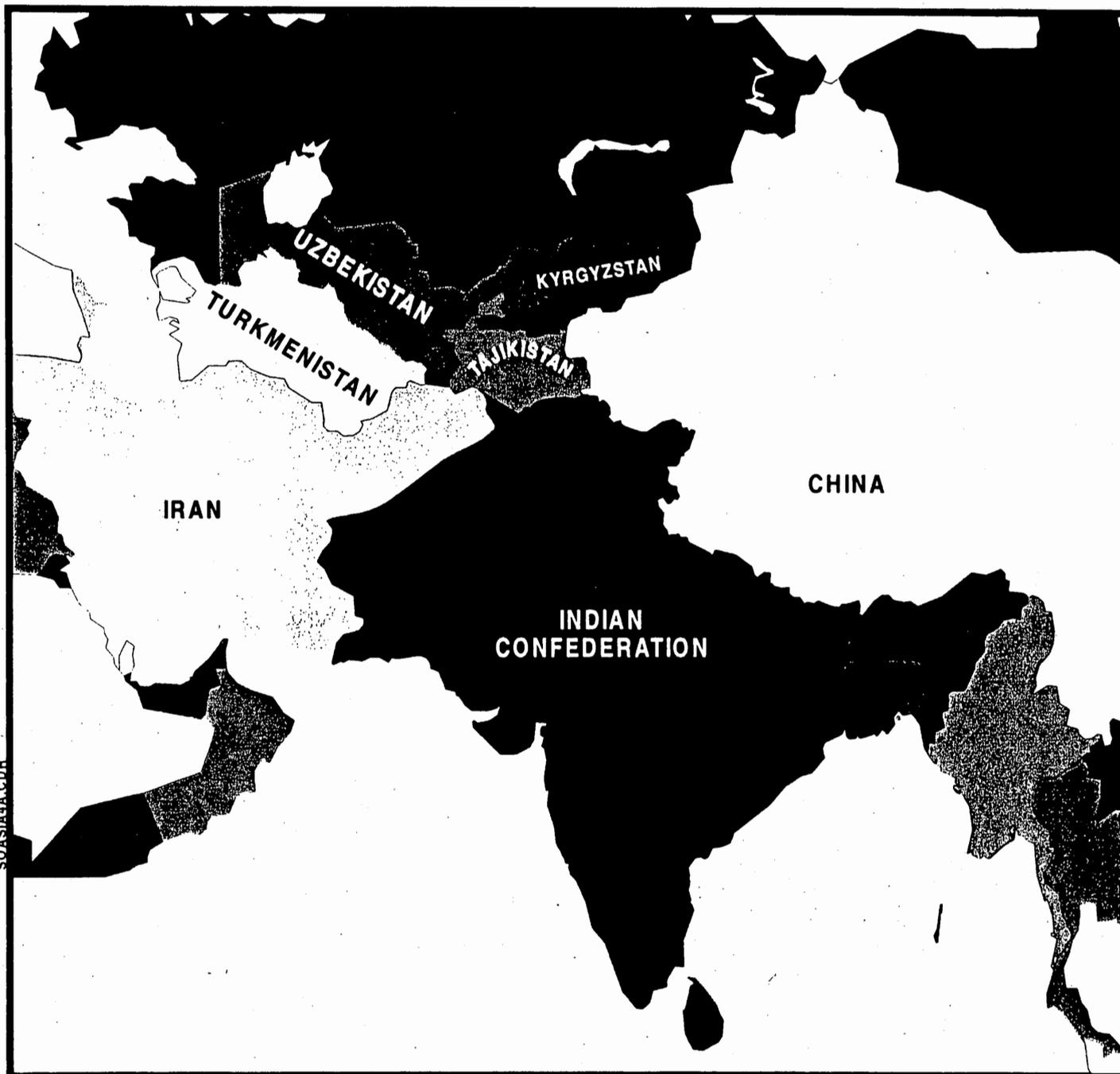
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NEW SOUTH ASIAN ENVIRONMENT



SOASIAA.CDR

The New South Asian Order (5) – 2nd Order Consequences

Marginalized in Central Asia, western Russia tacks toward the new Iranian-Indian alliance. This creates a new, more powerful grouping on China's western flank and accelerates the fragmentation of Russia. China responds to India's growing strength on its western flank by increasing its influence along its northern and southern borders. China accelerates its efforts to draw an already isolated, weak, but energy-rich eastern Russia into its economic and strategic orbit, further aggravating Russian disunity. Concomitantly, China intensifies its penetration of the Indochina peninsula and strengthens its position in the Bay of Bengal and along the Strait of Malacca. Southeast Asia becomes the future arena of conflict and competition between the Indian Confederation and China.

The New South Asian Order (5)

2nd Order Consequences

- Russia further fractured; western Russia gravitates to Iran-India bloc
- China responds in other directions:
 - draws RFE and Siberia into its orbit
 - steps up competition with India in Southeast Asia

The New South Asian Order (6) – DoD Challenges Suggested by Scenario

- As a result of the US surgical attack on Pakistani nuclear facilities, “would-be proliferators” reconsider their delivery systems and gravitate toward mobile cruise missiles and other systems that complicate US detection and interception capabilities.
- India becomes a regional hegemon and assumes new strategic importance. In such a world, the DoD should anticipate a heightened Indian economic and strategic role in the region. What does this mean for US presence on Diego Garcia and the potential for military-to-military cooperation with India, particularly the Indian Navy?
- The Asian energy security environment changes fundamentally. The United States finds unexpected partners, to wit, in India and Iran. Together India and Iran take on enhanced SLOC protection responsibilities, potentially reducing US responsibilities in the Gulf and Indian Ocean.
- China’s response to the emergence of India as a regional hegemon may be indirect and unpredictable. It is unlikely to challenge India head on, but could respond by increasing its activities in the Russian Far East, the Indochina peninsula, and along its rimlands. A belligerent and active China may emerge in East Asia, directly challenging traditional US interests in the region.
- Traditional US allies provide no help in the South Asian theater. The United States may operate in a world where traditional allies and bases (e.g., Japan and South Korea) may be far less important (indeed unavailable) than tacit coalitions with states that traditionally were not friendly.

The New South Asian Order (6)

DoD Challenges Suggested by Scenario

- Tracking and destroying WMD systems
- India assumes hegemonic role; Diego Garcia?
- SLOC protection passes to non-traditional actors - India/Iran
- Chinese response may be indirect: pushed in one place, responds in another
- Traditional allies (e.g., Japan) of no help

Strong and Unstable Chinas Title

Given the relative weight of its territory, population, economy, and armed forces, China will loom over the rest of Asia – its actions probably having greater impact on Asia than those of any other Asian country. This China family of scenarios looks at both a strong and self-confident China and a China destabilized by internal problems. Both Chinas pose potential problems for US interests.

If China modernizes its economy and its armed forces while simultaneously maintaining domestic political stability, it may achieve the ability to pursue many of the outcomes in Asia that it seeks without actually using military power. Even if China descends into a new era of weakness and instability, its problems will be played out not in isolation but on the Asian stage. A weak and unstable China will still have enough resources to engage in military aggression. Indeed, a beleaguered regime in Beijing is highly likely to engage in anti-foreign propaganda and in foreign military adventurism, if only to harness the forces of nationalism and divert the people's attention from harsh domestic realities.

Weak or strong, China will have special problems that will be projected onto the Asian stage. Its growing need for foreign oil and natural gas will compel an anxious China to search out long-term energy supply arrangements in the Middle East, Central Asia and Russia. In each region, China's goal is to transform these arrangements into strategic gains.

China's unique demographic profile will also affect its neighbors. The one-child policy ensures that by 2025 there will be 15-20 million Chinese males without potential mates. The authorities may resort to military conscription to address the problem. Or, we may see many of these men join the growing stream of emigrants to neighboring countries, contributing to the rise of influential Chinese émigré communities.

Strong and Unstable Chinas



Strong and Unstable China – Strategies for Asian Dominance

China's grand strategic goals remain the same whether China is strong or it becomes relatively weak due to domestic economic and political problems.

Our first scenario assumes a strong China that remains economically dynamic, politically stable, and increasingly strong militarily. Our second scenario assumes a "unstable" China that is beleaguered by economic crises and by political instability.

In both cases, the scenario has two main components. Both strong and weak Chinas pursue a Continental Strategy and a Maritime Strategy. But tactics and outcomes vary significantly.

Strong and Unstable Chinas

A Strategy for Asian Dominance

- Two Components:
 - Continental
 - Maritime



Strong China (1) – PRC Goals

China's long-term Grand Strategic goal is to dominate Asia. Beijing has already laid the foundation for this by consolidating its control over all of the mainland it claims as its sovereign territory. With many of its neighbors on its land borders being drawn into its sphere of influence, China is becoming dominant in continental East Asia.

Beijing now aims to assert its control over what it claims is China's irredenta: Taiwan, the South China Sea, and the Senkakus. If China succeeds in these aims, it will upset the current balance of power between continental East Asia, dominated by China, and maritime Asia, led by the United States and Japan.

China also aims to minimize regional threats. First, it seeks to impose permanent strategic subservience on Japan, denying it the right of a "normal nation" to defend its interests. Second, it seeks an end to US military alliances and presence in Asia.

If it achieves all these goals, it will be able to exert effective veto power over its neighbors' foreign and military policies, establishing a Chinese Monroe Doctrine. But for the Chinese, a Sino-centric Asia evokes their only positive collective memory of interstate relations: the tributary state system. For most of China's history, Asia's leaders sent tribute to the Chinese emperor. An Asia it dominates but does not conquer or occupy is China's goal.

Strong China (1)

PRC Goals

- Maintain control of sovereign territory
- Gain control over territory they claim
- Minimize potential regional threats
- Gain veto power over neighbors' policies
 - A Chinese Monroe Doctrine?
- Sino-centric Asia
 - Reestablish tributary system?
 - China's only positive historic model

Strong China (2) – Continental Strategy

The collapse of the Soviet bloc resulted in an immediate and substantial increase in China's relative power in Asia. The new Russia is smaller, weaker, and still in decline – utterly unable to deploy the large conventional forces that tied down most of China's best forces on its northern frontier. Moreover, Russia largely abandoned the Soviet client states on China's borders. India lost its superpower sponsor, reducing its ability to threaten Chinese interests. Vietnam, too, was left to fend for itself and could no longer defy China on its own. The collapse of the USSR also created independent, but weak, Central Asian republics on China's northwest frontier.

Strong China (2)

Continental Strategy

- USSR collapse → ↑ PRC power
 - Weakened Russia
 - Weakened Vietnam
 - Weakened India
 - New, weak, Central Asian states

Strong China (3) – Continental Strategy (cont.)

A newly self-confident China moves into the vacuum created by the collapse of the Soviet bloc. It opens its borders, prompting a flow of Chinese people and exports into neighboring countries. China also builds infrastructural links – mainly highways but also railroads and waterways – that bind its neighbors to China in a dependency relationship that reflects China's overwhelming size. When necessary to cement these ties, China offers such inducements as large investments, preferred access to Chinese markets, etc. China also improves diplomatic ties and increases military-to-military links with its neighbors.

Well before 2025, China establishes effective control of continental East Asia. Peninsular Southeast Asia falls under its thrall. In much of Central Asia and in Russia east of the Urals, China's large investments in petroleum projects gives it decisive leverage. Growing ethnic Chinese communities in both these areas give China additional influence.

With most countries on China's land borders firmly within the Chinese sphere of influence, Beijing easily manages any ethnic or regional unrest that arises in areas, like Xinjiang, that have large minority populations. China's long-standing policies of co-opting minorities or swamping them with Han Chinese increasingly succeed due to robust economic growth and political stability. Regions that were bypassed by the first wave of economic growth in 1979-1997 now enjoy economic development thanks to the Beijing Government's ability to finance it.

Having started out on the road to continental dominance after 1989, Beijing does not falter, and its dominance becomes unquestioned well before 2025.

Strong China (3)

- PRC moves to fill vacuums:
 - Develops infrastructure links
 - Economic inducements
 - Diplomatic, mil-to-mil ties
- 2025: Effective zone of continental control
 - Clearly dominant in peninsular Southeast Asia
 - Central Asia protectorates
 - Extensive penetration of RFE/Siberia
- Dominance helps PRC manage internal problems: minorities/regions
- PRC already on the road to continental dominance

Strong China (4) – Maritime Strategy

China faces a much greater challenge in attempting to achieve its goal of dominating maritime East Asia. Japan, Taiwan, the Philippines, Indonesia – the maritime nations that China seeks to dominate – are separated from China and protected by at least 100 miles of ocean. On average, the distance is much greater than that. At present, China does not possess the military capabilities to launch a full-scale conventional invasion of even one of these nations. Increasingly, however, China is able to project military power, short of an invasion, against any of these countries.

Japan, Taiwan, Indonesia and Singapore all possess significant military capabilities themselves. China also must assume that US military forces in Asia might come to the aid of any of these countries if China attacks them. The United States not only maintains bases in Asia, it also enjoys access to bases in several Southeast Asian countries.

In any quantitative assessment of China's conventional military capabilities in the maritime zone, China lags far behind the collective might of the United States and its friends and allies in the zone. Recognizing this, China adopts a strategy of incremental advance. This strategy builds on the universally recognized success of China in the continental zone. China takes action in the maritime zone when it identifies opportunities and soft targets. Its timing and its methods also reflects its goal of minimizing concern and suspicion and, above all, any strong counteraction.

Strong China (4)

Maritime Strategy

- Dominating maritime zone presents biggest challenge:
 - Geography
 - Limits on PRC power projection
 - Other centers of power
 - US footholds
- How to solve these problems?
 - A strategy of incremental advance

Strong China (5) – Maritime Strategy (cont.)

China's maritime strategy has five components. These components are geographic. To some extent, most of the components of China's maritime strategy are already in play in 1999.

The first component is the South China Sea (SCS). In 2000-2015, China steadily increases its military presence in the SCS. It establishes several additional de facto naval bases similar to the one now on Mischief Reef in Philippine waters that is equipped with artillery, helipads, a mooring area, radar, advanced surveillance and communications equipment as well as bunkers to house military personnel. These bases are supplemented by oil rigs that also have helipads, giving Chinese helicopter carriers almost complete coverage of the SCS by missile-carrying helicopters. China increasingly "protects" SCS shipping from piracy that it sponsors. China frequently provokes and wins small and brief naval clashes, intimidating the littoral states. Meanwhile China continues to co-opt ethnic Chinese businessmen in Southeast Asian nations with lucrative trade and investment deals. They, in turn, block all attempts by these nations' governments to effectively counter China's creeping aggression. ASEAN fails to act collectively against China; it is divided and paralyzed. All along, the United States maintains its neutral stance on SCS territorial conflicts, losing credibility among Southeast Asian nations who become increasingly alarmed by US inaction.

Second, China temporarily and adroitly neutralizes India by offering a spheres-of-influence deal under which China recognizes Indian hegemony in South Asia and the Indian Ocean. China withdraws from its de facto bases and surveillance posts on Burma's Indian Ocean coast. In return, India tacitly recognizes Chinese hegemony in the SCS, further undermining Southeast Asia's will to resist continuing Chinese encroachment.

Strong China (5)

- Nibbling away at the South China Sea:
 - Increase military presence
 - More de facto sea bases
 - Oil rigs with helipads
 - Piracy “protection racket”
 - Provoke and win small naval clashes
 - Co-opt Chinese business elites
 - Divide and conquer ASEAN
- Buying off India
 - A temporary spheres of influence deal?

Strong China (6) – Maritime Strategy (cont.)

Third, in 2010, as North Korea begins to crumble and reunification is underway, China moves deftly to eliminate US military bases on the Korean peninsula. While the United States and Japan ramp up a massive economic aid program, China successfully pressures Korean leaders with both carrots (promising additional aid) and sticks (sponsoring extreme nationalistic attacks on US bases). Five years later there is no US military presence in South Korea.

Fourth, despite Chinese advances, Japan takes no significant countermeasures. Aging and economically troubled, Japan prefers to be lulled by Chinese assurances that it poses no threat to either Japan's SLOCs or to Japan itself. In Japan, more voices assert that Japan can rely on China for its security and therefore, should abandon the US-Japan Alliance, which China considers "unfriendly."

Fifth and finally, China moves decisively against Taiwan. After years of psychological warfare, China successfully depicts Taiwan as provocative and belligerent. Declaring Taiwan's "latest provocation" as one that has finally made the situation intolerable, China establishes an air and sea blockade of Taiwan. Both people and money flee Taiwan, but the Taipei Government hangs tough. China lobs two missiles at Taiwan. In response, the United States dispatches two aircraft carrier task forces to waters close to Taiwan. But China lobs another missile at the island. When the United States does nothing except call for restraint, all-out panic ensues. A Taiwan "peace and unity party" emerges and signs a cease fire agreement under which China generously agrees not to occupy Taiwan. It gets only what it really wanted: control of Taiwan's air and sea space and access to Taiwan's air and naval bases.

Japan is deeply shaken both by US inaction and by China's seizing control of its SLOCs. As calls mount in Japan for an end to the US-Japan alliance, China offers Japan broad security guarantees in return for a phase-out of the alliance and an end to US military bases in Japan.

Strong China (6)

- Neutralize Unified Korea
- Japan:
 - Aging, economically troubled
 - Lulled by Chinese assurances
- Taiwan endgame
 - PRC successfully depicts as provocative
 - PRC blockade + minimal missile barrage
 - Ineffectual US response
 - Taiwan sues for peace
 - PRC “generosity”: No invasion, just access
 - PRC offers to guarantee Japan’s security
 - In exchange for phase out of US-Japan alliance

Unstable China (1) – Characteristics of Unstable China

A China suffering from an economic slowdown and devolution of power from the Center is likely to take more risks that threaten its neighbors. The Center uses force to bolster its legitimacy in reaction to losing control of the provinces. Its use of force is driven partly by domestic objectives as opposed to a Grand Strategic vision and is likely to be erratic and unpredictable in both the maritime and continental theaters. In fact, the activities of a weak China could be more dangerous than those of a strong China. A weak China takes more risks as it pursues its external objectives, such as securing external energy supplies. An unstable China may be more likely to come into direct confrontation with the United States, as it is more prone to a flagrant use of force than a strong China.

Unstable China (1)

Characteristics of Unstable China

- Uses force to bolster domestic legitimacy
- Uses force in maritime or continental theater
- Willing to risk direct military confrontation with US
- Takes unreasonable risks to secure economic advantages (e.g., energy)

Unstable China (2)

The Chinese banking system is technically insolvent. Foreign investment, both actual and announced declines rapidly. A massive effort by the government to inflate the economy fails to reverse a strong deflationary trend. Joblessness increases. Disturbances and demonstrations that are already common in both urban and rural China grow in number, size, and intensity. China's leaders use force to repress challenges to their rule and to maintain a minimum level of stability. The leadership succeeds but only at the cost of further undermining its political legitimacy among an increasingly sullen population.

Meanwhile, unemployment and narrowing economic opportunities drive hundreds of thousands of Chinese across land borders and into Southeast Asia, Central Asia, Siberia and the Russian Far East.

Unstable China (2)

- 2000-2010: Slow motion economic crash
 - Financial system insolvent
 - Foreign investment continues to decline
 - Stimulus policies fail
- Marketization fails
- Unemployment increases
- Growing urban and rural unrest; repressed at great political cost
- Substantial exodus to Southeast Asia, Central Asia, and Russia

Unstable China (3)

Power devolves to the regions. A besieged and discredited central government relies on the quasi-military administrations of Xinjiang and Tibet to suppress rising secessionist sentiments among minorities in those "autonomous" regions. But the center loses much of its political and taxing powers to the larger and richer Han Chinese provinces. Following both ancient and recent historical precedents, these provinces placate the center by giving it a percentage of their revenues.

While China's civilian governing structures, both state and party, are financially and politically weak, the armed forces remain unified. And, however tenuously, the civilian government still controls the armed forces. The military remains the power of last resort in major disturbances, and it successfully maintains China's territorial integrity. In addition, the armed forces are still capable of defending China and of projecting military power.

Unstable China (3)

- Political devolution
 - Beijing loses substantial power to provinces
 - But military blocks secession movements
- New balance:
 - Chinese state domestically weak
 - Military glue holds China together

Unstable China (4)

A beleaguered central government increasingly resorts to stirring up nationalistic and xenophobic sentiments. It picks verbal fights with foreign countries, primarily the United States and Japan, blaming them for China's growing problems. At the same time, it provokes real military conflicts with weaker neighbors – such as occupying more of the Philippines' sea territory, forcefully intervening in a riot-wracked Indonesia ostensibly to protect and evacuate ethnic Chinese, and attempting to blockade Taiwan. All of these efforts are failures, in large part because the United States intervenes militarily. Another reason why they fail is that they are correctly perceived abroad as desperate moves by a weak regime.

Unstable China (4)

- Foreign military adventurism
 - Motive: Center desperate to restore authority
 - Mobilize nationalist sentiments
 - Method: provoke conflicts with weaker neighbors
 - Philippines, Indonesia, Taiwan
 - Result: China defeated with US assistance

Unstable China (5)

Blaming the civilian leadership for China's defeats, military leaders in 2010 seize control of the Politburo. The move is a de facto military coup but the new regime claims to be a civilian government. The military regime sets up kangaroo courts that convict tens of thousands of corrupt officials. Mass executions are televised worldwide. The regime recruits young technocrats to enact drastic economic reforms aimed at restoring the hyper-growth of the early 1990s. The regime's actions initially prompt massive popular support. A modest, but promising, economic recovery begins as public confidence grows and domestic, foreign, and overseas Chinese investors are promised a fair deal.

World oil prices spike upward in 2015. The five-year-old military regime is reeling because China now depends on foreign sources, primarily the Middle East, for 90 percent of its oil and natural gas needs. China's energy import bill soars, a balance of payment crisis forces a major and confidence-crushing currency devaluation. A second economic crash shakes the nation. The last straw is a demand by Russia and Kazakhstan that China pay world market prices for their petroleum, rather than the much lower contracted prices agreed to a decade earlier.

Claiming its aim is to protect large Chinese émigré communities from growing persecution, China invades the Russian Far East, Siberia and Kazakhstan. PRC military forces immediately seize the regions' oil and natural gas fields, most of them already connected to China by Chinese-built pipelines.

A weaker Russia demands that China withdraw its military forces from Russian territory. But Russia is incapable of launching a conventional military response, and China ignores the demand. Russia then threatens an attack on Chinese forces with WMD without specifying what types of WMDs or where they will be targeted. However, Russian officials quickly leak reports that Russia is considering the use of both nuclear weapons against Chinese territory as well as biological weapons.

Russia also calls for US intervention and assistance, suggesting that it will use WMD against China if US help is not forthcoming. Multinational petroleum companies, fearing loss of their huge investments, join the campaign to pressure the US President to send paratroopers and special forces to the theater.

The scenario ends with China and Russia on the brink of war in which WMD will likely be used, energy flows from Central Asia are disrupted, and the United States the sole power that can control the situation.

Unstable China (5)

- 2010: De facto coup by military
- 2010-2015: Military controlled regime
- New economic crisis
- Energy imperialism: China seizes energy assets in RFE, Siberia and Kazakhstan
- Russia demands Chinese withdrawal; threatens WMD strike
- Multinational oil companies call for US military intervention

Strong and Unstable China (6) – DoD Challenges Suggested by the Scenarios

- Both the strong China and the unstable China scenarios suggest possible responses that the DoD may wish to explore to slow China's continental and maritime advance, or at least to raise China's costs. These responses focus mainly on creating impediments to China with military assistance or other 'soft options' for the states along China's borderland. Military-to-military relationships with the states of peninsular Southeast Asia, including perhaps the deployment of assets in these countries, might be one way of addressing this challenge.
- Another option could be to bolster existing alliances and relationships, for example with Japan, South Korea and Taiwan, or to develop mutually advantageous security ties with states that currently are not US allies. India stands out as a strong possibility, in this regard.

An unstable China, in particular, could threaten states, like Taiwan, with whom the United States has strong ties. The DoD may wish to explore now how it might respond to, or preempt the possibility that a politically weakened China might attempt to achieve foreign policy goals, such as the subjugation of Taiwan to the mainland, even more quickly and more assertively than a strong China.

Unstable China (6)

DoD Challenges Suggested by the Scenario

- Explore strategies for slowing or raising costs of China's continental and maritime advance:
 - Mil-mil relationships with deployment of assets in countries on China's land borders
 - Bolster existing alliances
 - Bolster non-alliance ties in Southeast and South Asia (e.g., India)
 - Taiwan vulnerable

The New Sino-Indian Condominium Title

The disintegration of Indonesia triggers a series of events that leads to an accord between China and India to create distinct spheres of influence in the Pacific and India Oceans respectively, with the explicit intent of displacing US power in the region. India and China continue to experience friction, but their desire to expel the United States from the region overrides these tensions. While some military action accentuates the momentum of events, this division is largely peaceful and stealthy. The scenario ends with China and India agreeing tacitly – not through a formal alliance – to the creation of a New Sino-Indian Order, which constitutes a major geopolitical shift in the region and the world. The new order is characterized by the United States having left both the South China Sea and the Indian Ocean. American forward presence in the region is dramatically reduced, if not entirely eliminated. China and India dominate most of the Asian land mass, the SLOCs, and much of the energy east of the Persian Gulf. US allies in Asia have reached new strategic accommodations with China.

The New Sino-Indian Condominium



The New Sino-Indian Condominium (1) – Assumptions 2000-2010

2000-2010: Throughout this period, the United States tries to reach some kind of strategic arrangement with India, but not much can be worked out. The American effort is lukewarm and sporadic. Consensus among US policymakers about India's importance to the United States is fleeting, as talk of the old "Soviet" India frequently drowns out new strategic thinking. India is resentful of American inattention, which feeds the Indian national psychology of wanting to be, and to be seen to be, a great power that bows to no one. In a blatant act of self-assertion, India conducts a new round of nuclear tests in 2008, precluding any possibility of moving forward in a strategic relationship with the United States. Growing anti-hegemonic sentiments stimulate India to accelerate its military buildup, shifting attention increasingly toward naval power.

China's security environment is relatively quiet, leaving China lots of room for maneuver. It has no major involvements that sap its strength or attention. Its economy continues to grow, albeit more slowly than in the previous decade, fueling the emergence of China's blue water navy. Taiwan remains an irritant, but no conflict breaks out. Korea remains divided, but North Korea continues to be an economic basket case, leading many American policymakers and most US public opinion to question why the United States should remain in South Korea.

American presence in both the Indian Ocean and the South China Sea is constant, though with little apparent utility. America's ability to influence the smaller nations of Southeast Asia is limited and increasingly irrelevant, but the United States tries nonetheless. Both India and China bristle at the constant reminders of US hegemony in the region. US public opinion is sharply divided on continued US expenditures on Asian security issues. The United States continues its relationship with Singapore for a small base, but it shies away from making stronger overtures to Indonesia, citing the turmoil there as justification. US military resources, especially naval resources, remain focused on the Atlantic and Europe, not on Asia's Pacific and Indian Oceans.

Indonesia continues to be wracked political instability. Regional separatism, ethnic violence and religious extremism are rife. Governments come and go, and separatist forces gain momentum on several major islands. Violence spirals on those islands as authorities in Jakarta prove utterly unable to restore order. Indonesia's overwhelmingly Muslim population turns increasingly to Islam as a new governing ideology. As chaos increases, violence against ethnic Chinese goes unchecked. China warns from afar that it cannot tolerate attacks on "brother Chinese," and Chinese naval ships make frequent "show the flag" incursions into Indonesian waters. Despite the turmoil throughout the period, Western and Asian energy companies manage to keep gas and oil flowing to Japan and, increasingly, India, as well as to other Asian markets.

New Sino-Indian Condominium (1)

Assumptions 2000-2010

- New CTBT violations derail US-India strategic dialogue
- China's security environment quiet
- US presence in South China Sea/Indian Ocean unchanged
- Indonesia losing coherence as state

The New Sino-Indian Condominium Order (2)

2010-2013: As the American initiative toward India founders and eventually collapses after India's nuclear tests, and as Indonesia's fragility becomes more threatening, India and China initiate strategic discussions on regional cooperation to secure SLOCs, control regional unrest, and other common concerns. They become much more familiar with each other, and despite significant differences in national interest, they become increasingly comfortable interacting in areas of common interest. The anti-hegemonic undertones of their discussions gradually surface as an explicit shared objective – though not stated publicly – in displacing the United States from the regions that they seek to dominate. Contact between China and India covers a wide range of areas, including military-to-military ties and some preliminary joint naval operations.

2014: The failure of the most recent Indonesian government causes communal violence across most of Indonesia. The government simply dissolves; huge demonstrations occur, and power passes to loosely organized, armed bands and regional militias that seek to sustain themselves rather than enforce any lingering national agenda. Indonesia fragments like broken glass. Pogroms against “wealthy” ethnic Chinese are brutal and widespread. In one week more than 100,000 are slaughtered. Ethnic Chinese appeal to China for assistance, and many become boat people headed for Malaysia, Singapore and the Chinese mainland. CNN is on the spot, and the news of the mayhem in Indonesia spreads like wildfire worldwide. Simultaneously, Indonesian refugees inundate the north coast of Australia, overwhelming Australia's ability to deal with them.

Indonesian tribute seekers set a large tanker afire in the Strait of Malacca and pirates repeatedly attack ships in the Sunda and Lombok straits. Lloyds raises insurance rates significantly and discourages all traffic through these waterways. Traffic quickly dwindles to a trickle. The crisis in Indonesia has severe repercussions for international trade and finance. The disruption of the SLOCs sends financial markets into a tailspin. Especially hard hit are the financial markets in East Asia's industrial economies, but the US market is affected also. Energy prices spike, trade is dislocated, and a spreading recession looms.

Separatists seize control of Indonesia's gas and oil production, much of which is operated by foreign – including US and Japanese – companies, and begin searching for outside protectors. There is a widespread cry for someone to “do something,” not only to restore stability in Indonesia but also to safeguard international prosperity.

New Sino-Indian Condominium (2)

- 2010-2013: India and China initiate strategic discussions
- 2014:
 - Indonesia fragments; ethnic cleansing; refugees; separatism
 - Straits threatened
 - Financial/market/energy repercussions
 - Calls for US to restore stability
- 2015:
 - US intervenes; early successes
 - Markets begin recovery

The Straits in Southeast Asia – Map

2015: Everyone except China and India want the United States to act. The United States is the preferred candidate because virtually all countries of the region are leery of either China or India, or both. Japan actively encourages the United States to take action, as its economy is disproportionately affected although Japan pledges non-military support. For most countries, the United States is seen as the only “outside” power capable of stemming the violence and returning order to Indonesia.

Repeated calls in international fora, punctuated by graphic footage of horrific atrocities in Indonesia shown on CNN and other media, finally impel the United States to act. US public opinion is divided. By early 2015, a US naval task force and Marines arrive in Indonesian waters and immediately begins rounding up pirates and opening straits. The American public is treated nightly to sights of Marines dispatching vigilante and terrorist groups, of ethnic Chinese being rescued from imminent death and disembowelment, of streets being cleared and demonstrations dispersed. The American public, never keen on the intervention, is reassured. Chinese naval vessels lurk nearby but do not act.

THE STRAITS IN SOUTHEAST ASIA



EAPS4.CDR

The New Sino-Indian Condominium (3)

2016: During the run-up to a US presidential election, a small group of Islamic militants intent on giving the United States a black eye fire a series of powerful missiles at a US destroyer and frigate transiting the narrow Lombok Strait. Both vessels are badly damaged, and more than 200 US sailors and Marines are killed. Scenes of servicemen's and -women's bodies floating up on Indonesian shores pervade CNN's coverage. American opinion is incensed and from across the political spectrum calls for disengagement are immediate and overpowering. All presidential candidates pledge to bring the ships home immediately. The United States announces the immediate cessation of operations, and US ships pull back. Energy markets spike again, and all kinds of commercial interests scream for somebody to restore stability. The Indonesian violence that existed before the arrival of the Americans resumes with greater force. The slaughter continues; refugee flows begin anew.

2017: America hunkers down with Australia and other Asian allies to consider their options. Japan remains silent, privately urging that the United States recommit at a higher level, but unwilling to commit its own naval forces without US involvement. China quietly warns the Japanese to stay out. America debates what to do next. The debate is heated, but in the end the new president decides that the Indonesian adventure is too costly, not winnable, an unending commitment, and wildly unpopular. Yet, it is widely agreed that vital American interests are at stake. In any event, as US policymakers point out, the United States can use the less convenient, but workable, SLOCs that skirt Australia in the event that Lombok, Sunda, and Malacca remain out of action for a long time.

Throughout this crisis, Chinese and Indian leaders intensify their discussion of ways to eject US presence from the South China Sea, where China wishes to establish its hegemony, and from the Indian Ocean, where India wishes to establish its own. They tacitly agree to cooperate to make this happen when circumstances are propitious. As Indonesia unravels, both powers feel increasingly frustrated by American intervention, and the tempo and breadth of their strategic discussions accelerate. India tells China that it intends to open the Strait of Malacca, but has no intention of extending its sphere of influence east of this. With ships of both states in the region, New Delhi and Beijing agree on joint action, with a specific anti-American objective. They also agree to share responsibility for protecting the energy SLOCs from the Gulf, and China promises to use its political pressure to neutralize Pakistan and to limit its presence in Burma. The payoff for both states is thus large, with the ultimate prize being the displacement of the United States from Chinese and Indian spheres of influence.

India moves rapidly into the Strait of Malacca, and China takes command of the Lombok and Sunda straits. En route, China also occupies the disputed Spratley Islands and the Natuna gas fields. After a few days of brutal occupation, China secures both Lombok and Sunda and reopens them to international traffic. India's navy takes command of Malacca, rousting pirates and other militants in a tough, no-nonsense operation. Conditions in Malacca are opened within a few weeks. American policymakers are stunned, but can do nothing.

The reception to the loosely coordinated Chinese-Indian action is enthusiastic everywhere, including in Japan, which has developed real doubts about the American commitment to protecting its interests in the region. Energy and financial markets gradually stabilize, contributing to the conclusion that this is a sound initiative. American public opinion is divided, but generally relieved that the burden of decision has been lifted, the economic outlook improved, and that America's role as the world's policeman is being eased. Public reception of this action in both India and China is wildly enthusiastic, and in both countries new slogans touting the return of national greatness are ubiquitous. Both governments are cordial to the United States, but leave the Americans no doubt that they intend to remain the hegemons in their respective regions.

New Sino-Indian Condominium (3)

- 2016:
 - US ships attacked, loss of life; US withdraws
 - New market turmoil
- 2017:
 - China and India act to secure straits
 - China “guarantees” regional energy assets
 - Reception enthusiastic; markets recover

The New Sino-Indian Condominium (4) – Endstate 2017-2025

2017-2025: American presence in the Pacific and Indian Oceans rolls back, as India and China are seen as the centerpieces of their respective regions. America's allies reach new accommodations with both powers. US bases in Korea are closed, and the troops brought home. Opinion in Japan is at a crossroads over what to do next: a full, complete alliance with a United States many Japanese now view as hesitant, lacking in will and uncommitted to Asia, and which many Americans reject for its expense; or accommodation to China and the new Asian order? Military buildup looks increasingly untenable to most Japanese since their demographic situation now requires massive entitlement payments to an aging population. Across Asia, small states accommodate to China. Singapore accepts that it is "Chinese," and most of Southeast Asia falls quickly into line. Taiwan, lacking an unambiguous US defense, reaches agreement with China to become "autonomous" but part of one China. China uses this momentum to assert its hegemony over Korea.

• 2017:

— [Illegible mirrored text]

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— [Illegible mirrored text]

• 2019:

[Illegible mirrored text]

New Sino-Indian Condominium (4)

Endstate 2017 -2025

- China/India consolidate as new hegemon
- US out of South China Sea/Indian Ocean; forward presence in Hawaii and Australia
- China/India control SLOCs, energy flows
- US allies question US commitment, credibility
- US forces gradually withdrawn from region
- Asians accommodate to new condominium
- Japan on the fence

The New Sino-Indian Condominium – Map

The tensions between China and India are not eliminated by their dividing much of Asia into hegemonic spheres, and eventually both envisage a clash. But for the time being cooperation suits both perfectly. The United States fears that it will soon be reduced to operating from a long distance from Hawaii and from a strengthened position in Australia, and it considers the world in which it now finds itself. The India-China relationship also puts new pressure on the Persian Gulf states. American strategists ponder if a different attitude toward Iran might now have improved their position. In the short term, the United States can attempt to fall back on European support to secure its interests in the Gulf. But the reality is startling: the United States is effectively displaced from both the Indian Ocean and the South China Sea as the reigning hegemon. Between them, China and India control much of Asia's land mass and the vital energy SLOCs and straits. America may soon have no forward presence beyond Hawaii and Australia, and it now appears very difficult for the United States to respond to challenges in Asia, even if it chooses to do so. China and India are the dominant forces in an area of approximately 4 billion people. The New Sino-Indian Order begins.

New Sino - Indian Condominium



SOASIA5 CDR

The New Sino-Indian Order (5) – DoD Challenges Suggested by Scenario

- This scenario suggests several difficult challenges for the DoD. First, it spotlights the benefits of preemptive action in two ways. For example, cooperation and alignment between India and China might be impeded if the United States establishes a working strategic dialogue and common geopolitical objectives with one partner. India appears to be the more logical choice of the two. Similarly, can we envision ways of helping Indonesia avoid breakdown and disintegration?
- Second, the scenario points out again the difficulty the United States is likely to have in projecting power over long distances. It raises – as do other scenarios – the question of reliable allies and forward presence in Asia. Should the DoD be exploring opportunities to strengthen existing allies, like Australia, or looking for new kinds of alignments with non-traditional partners, such as Russia, Iran, Vietnam, or even with pieces of Indonesia like Sumatra?
- Finally, the scenario raises the issue of what the United States can do for Japan under these circumstances. If India and China were to ally, however conveniently and temporarily, the DoD would wish to explore how the US relationship with Japan might evolve, and where it might be strengthened.

New Sino-Indian Condominium (5)

DoD Challenges Suggested by Scenario

- Strategic cooperation with India to preempt India/China alignment?
- Indonesia breakdown: Can it be prevented?
- New allies/forward presence? Buildup Australia? Russia? Iran? Vietnam? Sumatra?
- What does the US do for Japan under these circumstances?

Recurring Geopolitical Issues

India's strategic potential

Between Russia's decline and Japan's inertia, India emerges as China's primary strategic Asian rival, capable of contesting it for influence in Southeast and Central Asia. India emerges throughout these scenarios as a potential partner of choice for the United States to make each of these worlds more palatable for US interests. Can India overcome its economic lethargy, cumbersome bureaucracy and social ills to play a more powerful, more prominent role in the new Asian strategic environment? India's new roles and its ability or inability to achieve them deserves close attention.

Pressures for accepting selective nuclear proliferation

The United States could face pressure to rethink its strict anti-proliferation policy, as some states that acquire nuclear weapons may actually contribute to American national security goals. India and Taiwan are examples that emerge from the scenarios. The United States may be faced with a trade-off between selective proliferation and regional presence.

Need for flexibility in identifying and developing new partners

The United States has had prickly or hostile relations with several Asian nations, which the scenarios suggest might be important partners in the future. Well before 2025, the United States may find it in its interest to align with these states in tacit or informal partnerships. Policy-planners should be thinking about a strategy for engagement with such states before a crisis situation in the region. In fact, some partnerships should be viewed as preemptive or preventative measures to avoid future crises. India and Iran stand out as candidates.

Diminished salience of Russia

If Russia was a threat during the Cold War by virtue of its strength, it will now be a problem by virtue of its weakness. Russia will be more acted upon than acting. It cannot balance a strong China. Indeed, the Russian Far East is bound to gravitate toward China.

Japan at the crossroads

Japan has three choices: It can form a true military partnership with the United States. It can embark on an independent military buildup. Or, it can accept Chinese hegemony.

China as a force for instability and constant competitor

China will be a persistent competitor of the United States. A stable and powerful China will be constantly challenging the status quo in East Asia. An unstable and relative weak China could be dangerous because its leaders might try to bolster their power with foreign military adventurism.

Linkages among the regions of Asia

We can no longer think of Asia as divided into discrete geopolitical regions. Major disruptions ripple quickly across regions. For instance, events in South Asia can have repercussions in Northeast Asia and vice versa.

The Middle East gravitates toward Asia

With Asia consuming the lion's share of Gulf and Caspian energy, Asian countries assume the leading security role there. The Middle East effectively reorients toward Asia, and the US role in this region is substantially diminished. This reorientation is reinforced by a growing feeling of Islamic solidarity that now has fewer barriers in connecting the sometimes dissimilar Islamic cultures that stretch from the Arab Gulf, through Central Asia, South Asia and Southeast Asia, to the world's largest Muslim country, Indonesia.

Recurring Geopolitical Issues

- India's strategic potential
- Pressures for accepting selective nuclear proliferation
- Need for flexibility in identifying and developing new partners
- Diminished salience of Russia
- Japan at the crossroads
- China as a force for instability and constant competitor
- Linkages among Asian regions, conflicts
- Middle East gravitates toward Asia

Recurring DoD Challenges

Shifting focus from EUCOM to PACOM

With Asia emerging as a major focus area, a re-evaluation of current US force deployments between Europe and Asia is appropriate.

Lack of bases, immature infrastructure

Asian military operations would differ from planned European operations due to complexity, theater size, and a lack of bases, poor infrastructure and long distances. Outside of Northeast Asia, existing bases, such as Guam and Diego Garcia, are considerable distances from likely conflict areas. Accordingly, planned force structure may not be adequate. For example, planned tactical aircraft, such as FA-18, F-22 and Joint Strike Fighter, are relatively short-range and would be of little use in most Asian scenarios considered. Also, expected advances in targeting and long-range precision strike systems could threaten non-stealthy naval assets even without the rise of a competitor navy. Planning for more substantial presence in Asia must start presently if the United States is to be prepared for future challenges.

Traditional MRC planning may be inadequate

The "notional MRC," i.e., the defense of an ally from invasion by a third country, with a conflict in a relatively small, well defined area, might no longer apply in Asia. Future Asian conflicts will be spread over wide areas with cascading effects. They will have a maritime focus, placing a premium on naval and air forces.

Tracking, targeting, and countering WMD

WMD will be more widespread and their use more likely. The ability to track, target, and counter the effects of these weapons will be necessary for the protection of US and coalition forces.

Growing impact of non-state actors

Threats to US interests will not only come from states, but from actors within states or actors that transcend state borders. The ability of non-state actors to challenge the United States will grow dramatically in the worlds we envisage. Their access to sophisticated weapons and military technologies will grow at the same time the ability of governments in many Asia states to control non-state actors diminishes. Examples are many. In Russia, a regional leader or a criminal syndicate leader can obtain control of WMD for purposes of blackmail, extortion or just plain sale to the highest bidder. In Afghanistan, the leader of a global terrorist network can find sanctuary. In Indonesia, local rebels can close vital waterways and threaten US naval vessels. US defense thinking must better understand both the strategic and operational challenges of increasingly powerful non-state actors, and US military forces must develop new ways of dealing with these dangerous and unpredictable elements.

Inter-operating with new allies

Flexibility will be required in identifying and engaging new coalition partners. This raises the need to forge military-to-military contacts and to conduct exercises in advance of conflict to establish some level of familiarity and to facilitate interoperability. Technical alignment and security policy issues will require significant work to ensure reliable communications between US and coalition forces before operating together in a crisis.

Decision support inadequate for complex scenarios

Command and control systems may be inadequate for the complexity of future Asian operations (e.g., theater size, large numbers of competing factions, presence of WMD and problems associated with long-range power projection). In recent years, significant effort has gone into the development and deployment of sensors and communications bandwidth to provide commanders with more raw information data. Similar efforts are required to improve our ability to sort, use and display information to support orderly human cognition and decision-making in complex environments.

Recurring DoD Challenges

- Shifting focus from EUCOM to PACOM
- Lack of bases, immature infrastructure
- Planned force structure is inadequate
- Traditional MRC planning will not suffice:
 - Larger theater
 - Maritime focus: naval and air emphasis
 - Defense of power projection assets
- Tracking, targeting, and countering WMD
- Growing impact of non-state actors
- Inter-operating with new allies
- Decision support inadequate for complex scenarios¹⁴³

Follow-on Issues

Potential of India

Throughout these scenarios, India moves dramatically onto center stage as a potential partner for the United States, or as a partner for other regional actors. India has been on the margins of US strategic thinking for years, and hence our understanding of its potential, desires, objectives and strategies – and the forces that will drive strategies – is inadequate. We know little about Indian strategic culture. Building our knowledge and understanding of India's potential is vital, and, if this potential appears to make India a logical partner for the United States, US policymakers need to explore ways and means to engage India in a strategic dialogue.

Wither Japan?

In these scenarios, Japan is at a crossroads. Is Japan's crossing the threshold to become a "normal" military power imminent? Do events in the region compel it to abandon its non-nuclear principles and post-war non-militarist strategic culture? Does it have the domestic political will to form a more complete military alliance with the United States? Or, does it, by default, bandwagon with China? Can we think of a Japan seeking military relationships outside the post-war dependence on the United States and outside the traditional theater of Northeast Asia? What are the 2nd and 3rd order consequences in the region of such Japanese actions? What forces are likely to drive Japan's choices? What obstacles does traditional US thinking about the US-Japan relationship put in the way of a more robust and equal alliance? As with India, we need to develop a deeper understanding of what alternative futures might be on Japan's horizon.

Effects of demographic trends/ strategic demography

The impact of demographic trends appears frequently in these scenarios. How do these trends factor into the strategic calculations of Asia's principal actors? Can we think of something called "strategic demography," where states actively attempt to alter the demographic balance of an opponent or to improve their own? For example, what about a state allowing or encouraging mass migration into contiguous areas?

Dealing with disintegrating states

Disintegrating states are a prominent feature of these scenarios. The DoD should explore the causes and consequences of state disintegration, as well as the possible formation of new states or confederations from the debris of failed states. The geopolitical and operational significance of disintegrating states needs to be better understood.

Adverse effects of globalization on US security

Globalization seems to promise so much to so many, but in these scenarios it has a distinct downside for defense and national security planners. Do we adequately understand how forces of globalization could influence and alter the operational environment for US forces, and how it could change the character and capabilities of the actors and adversaries with whom the United States may have to deal in the future? How does the United States maximize the benefits of globalization while minimizing the risks? Do we understand the downsides of globalization, and how they will affect US interests?

Follow-on Issues

- Potential of India:
 - How to engage?
- Whither Japan?
- Effects of demographic trends on policy and strategy
- Strategic demography
- Dealing with disintegrating states
- Adverse effects of globalization on US security

Signposts

What signposts should we look for to determine that the worlds described in these scenarios might be appearing? Several are obvious. Two examples are a domestic crisis in China or an Indian economic takeoff, which would probably provide India the means to put military muscle behind their geopolitical ambitions.

Strategic dialogues between and among Asia's actors might also be indicators of changes in the strategic landscape. Dialogues involving critical Asian actors might be particularly revealing. A dialogue between Japan and India is a case in point, and in fact, it is already occurring.

Asian states that invest heavily in blue water navies send a strong signal of their understanding of the changing strategic dynamics in the region, and of their intent to prepare to compete in this new universe.

Energy trends are an obvious signpost. States that embark on dramatic shifts in their consumption mix – for example, changing from coal to oil or from oil to gas – will often have to obtain this energy outside their own country, to transport it, and to protect it. Should powerful Asian states become dependent on far flung energy deposits, they may alter their strategic policies and operational capabilities. States that create military strategies and capabilities to pursue energy strategies – for example, when a state builds specific kinds of capabilities or organizes its military to protect its energy transport – are sending a signal that the alternative worlds described here are becoming more real.

Signposts

- Domestic crisis in China
- Indian economic takeoff
- Strategic dialogues
 - India with: Japan, China, Iran
 - Japan with: India, China, Russia, Taiwan
- Significant investment in blue water navies
- Energy
 - Dramatic changes in consumption mix
 - Links between energy and military strategies