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Asia Has Three Possible Futures

The competition between the United States and China will decide the continent's fate—and one of them has a head start.

By Stephen M. Walt

I spent the last week of August in South Korea, attending a conference on security studies sponsored by the Korea National Defense University and giving lectures at the Chey Institute for Advanced Studies and at Sungkyunkwan University. As you might expect, the trip got me thinking about the evolving strategic environment in Asia. There's a lot at play these days: an escalating trade war between the United States and China, North Korea's growing nuclear arsenal and improved missile capabilities, deteriorating relations between South Korea and Japan, and increased cooperation between the United States and the Association of Southeast Asian Nations. Toss in the Afghanistan peace talks and India's heavy-handed actions in Kashmir, and you have a pretty full diplomatic agenda.

At times like this, it's useful to step back from today's headlines and look at the big picture. And for a realist like me, the most important factors to consider are, first, the balance of power between the United States and China and, second, the likely response of other Asian countries to any significant shifts in that balance. These elements aren't the only things that matter, of course, but the relative capabilities of the world's two most powerful nations—one of which happens to be located in Asia—are bound to cast a long shadow over all the other countries in the region.

Looking ahead, one can imagine three main possibilities.

Scenario No. 1: In the first scenario, China continues to rise rapidly while the United States stumbles, due either to misguided domestic policies (such as unwise and poorly conceived tax cuts, underinvestment in education, inadequate financial regulation, political gridlock, etc.) or costly overseas quagmires and distractions. With certain qualifications, this scenario is the one imagined by the analysts Martin Jacques or Arvind Subramanian (and others), who believe China is destined to eventually supplant the United States as the world's dominant power. And of course it is this fear of Chinese dominance that drives the Trump administration's current efforts to slow China down.

If this outcome were to occur—not immediately, but in the decades ahead—it is hard to imagine that the United States could maintain its present security position in Asia. A larger and increasingly wealthy China could eventually outspend the United States in an arms race, and its ever-improving technological capacities might enable it to field weaponry that is equal to or superior to U.S. weapons systems. The United States would thus face the same awkward decision that Great Britain faced at the dawn of the 20th century—as Washington actively sought to push it out of the Western Hemisphere—and would probably decide to liquidate its role in Asia and allow China to establish a sphere of influence there.

It is possible that China's Asian neighbors would join forces to balance against Beijing even if U.S. support were no longer available—as simple balance of power theory might predict—but there are reasons to wonder. Unless India had somehow managed to keep pace with China, a

balancing coalition confined to Asia would still be weaker than this hypothetical Chinese colossus and would face the usual dilemmas of collective action.

This vision of the future is undoubtedly Beijing's preferred scenario, and Chinese President Xi Jinping has suggested as much in the past. Pushing the United States out of Asia and getting its immediate neighbors to defer to Chinese preferences would maximize Chinese security while making it easier for Beijing to project power in other areas that it might deem critical, such as the Persian Gulf. For this reason, you can bet that Chinese strategic planners are hoping the United States continues to get bogged down in pointless conflicts in countries of marginal strategic importance and that it continues to be led by people whose decisions are shaped more by whims and ego than a sophisticated sense of interests and strategy.

Scenario No. 2: The gloomy scenario (from a U.S. perspective) sketched above is not inevitable. In fact, some scholars—most notably Michael Beckley of Tufts University—believe the opposite future is more likely. In this vision, it is China that will stumble while the United States defies the latest forecasts of inevitable decline.

Prophets of U.S. decline were wrong in the 1980s, and they might well be wrong today. China faces a number of serious obstacles (an aging population, environmental degradation, lack of adequate water supplies, geopolitical constraints, restive minorities, financial imbalances, etc.), while the United States retains a number of important strengths, such as a highly favorable geographic location, ample natural resources, and a still-innovative economy.

Should this future come to pass, the United States would still be ideally positioned to lead a balancing coalition in Asia. It already has good bilateral relations with key Asian countries (Japan, Australia, South Korea, Singapore, etc.), and its ties to India and ASEAN have been improving. The purpose of such a coalition would be essentially defensive: to prevent China from intimidating its neighbors or expanding its influence excessively. Prudence dictates that the United States and its partners should not attempt to impoverish China or seek to undermine the Chinese Communist Party, a policy that would alarm America's Asian allies and raise the risk of war. Washington would have to deal with the usual problems of allied free-riding and strive to smooth out differences among its various partners, but its central role would give it plenty of tools with which to accomplish these tasks.

In this world, it is pretty clear what most states in Asia will do. The United States will still be the most powerful state in the international system, but China's proximity to its neighbors would make it more threatening to them. Accordingly, most states in Asia will be "regional balancers" and seek to maintain a close partnership with the United States. The need for U.S. protection might vanish entirely if Chinese power declined precipitously, but this is unlikely to occur, and some Asian states would probably prefer to maintain a security connection with Washington as a hedge against uncertainty.

Scenario No. 3: The second scenario might be best from a U.S. perspective, but the third scenario is the most likely. It assumes China continues to grow but the United States keeps pace. The current gap between the two may diminish somewhat, but China does not race past the United States and establish a clear and obvious lead. The world ends up either in a condition of bipolarity (as in the U.S.-Soviet Cold War) or in a highly lopsided form of multipolarity, with the United States and China far ahead of much weaker great powers such as Russia and India.

It is not as clear how the rest of Asia would respond should the future unfold in this fashion, but realist theory suggests that most of them would still prefer to balance with the United States. Opting for neutrality will not be easy for any of them, as both the United States and China are likely to press would-be neutrals to get off the fence and pick a side. To bandwagon with China might be tempting at first glance, but doing so means accepting a subordinate position and deferring to Chinese whims, which could leave these states vulnerable should Chinese intentions become more predatory. By contrast, balancing with the United States would help keep China at bay, and Washington will have to give due attention to its allies' wishes, because it cannot sustain a position in Asia without them. If the United States and China remain roughly equal—or the United States continues to lead, but by a smaller margin—balancing with the United States is the smarter call for Japan, South Korea, and most of the other powers in Asia.

Which is not to say that this outcome is certain. As I've observed before, managing a balancing coalition in Asia is not an easy task, due to the vast distances involved, the unavoidable temptations to pass the buck or free-ride, the economic trade-offs involved, and the delicate relations between some Asian countries (most notably South Korea and Japan). If there is any area in the world where attentive, adroit, and skillful alliance leadership is needed, it is Asia.

And that is why the Trump administration's performance is so disappointing and so worrisome. Instead of building on former President Barack Obama's rebalancing effort and pushing the Trans-Pacific Partnership through the Republican-dominated Senate, President Donald Trump tore it up on his third day in office. Instead of lining up Japan, South Korea, the EU, and other major economies to confront China over its unfair trading practices, Trump picked trade fights with nearly everyone and the United States has been left to confront China on its own. Instead of pursuing a steady and sophisticated approach to North Korea nuclear and missile programs, Trump opted for photo ops and a personal charm offensive that has gone precisely nowhere, casting fresh doubts about Washington's reliability and strategic acumen. And instead of focusing laser-like on the Asian balance of power—which will exert profound effects on global politics for many years to come—Trump is still bogged down in Afghanistan and pursuing the white whale of so-called maximum pressure against Iran, a strategy that can only push Iran ever closer to Beijing and make its single-minded pursuit of a viable nuclear option more likely.

The situation is far from irretrievable, but rescuing it will require a U.S. foreign-policy team that sees the big picture, knows how to set priorities, is adept at recruiting allied support, and refuses to be distracted by the shiny objects dangled by overvalued client states in less important regions. If present follies continue, we may look back in 25 years and wonder how China managed to push the United States out of Asia and become the world's second regional hegemon. As I wrote way back in 2005, "if the United States ends up hastening the demise of its existing partnerships and giving rise to new arrangements whose main purpose is to contain us, we will have only ourselves to blame."

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