October 2016 17.486 East-Asia in 2050

Hooke's law says that the more a spring is displaced from its resting position, the greater the force with which it returns to that position when the tension is released. This simple law of physics applies with almost equal force to international history. The shifting power dynamics between states push and pull on the international system, creating tension. With few exceptions, the longer tension builds, the more violent the correction in the international system. Thus, despite the violence of the past 40 years, when one surveys the significant realignments that have occurred within East Asia, what is most surprising is that the violence was quite limited.

Today, in many ways, the power dynamics of North East Asia resemble their appearance before the arrival of Europeans in force in the 19th Century. China maintains a central position in the region, and a unified Korea looks to it as the leading regional power. The United States plays less of a regional role than it did for most of the last century, though it is still important. The key difference between the early 19th Century and today, it is that Japan is a strong and independent regional power. Overall, the region plays a more important role in world affairs than it did for much of the 20th century, but not nearly as prominent as some had foretold.

How did North East Asia arrive in this situation? To answer this question, one must first consider the shifting demographic and economic trends that underlay the political situation. Only then can one understand the progression of events.

Demographics, it used to be said, were destiny. To an extent, this statement was true. The demographic projections of the early 21st century proved surprisingly accurate.

In Japan, China, and South Korea birthrates all remained below replacement. Japan's fertility rate, at 1.4 in 2016 has not risen about 1.5.¹ China's fertility rate of 1.55 remained roughly static despite the repeal of the one child policy.² South Korea performed similarly. Thus, all three North East Asian players witnessed shrinking, graying populations throughout the first half of the twenty-first century. With the exception of a few dramatic moments, this trend encouraged these nations to focus inward.

In another way, however, the coupling of demographics with a nation's destiny became partially unhinged. The development of robotics, advanced artificial intelligence, and 3D printing let to a dramatic diffusion of industrial potential and the decoupling of population and economic growth. Despite their shrinking populations, the East Asian states would all witness a general trend of slow economic growth. China having finished much of its rapid modernization in the first decades of the century would witness a slowing similar, though not a severe, as what Japan experienced beginning in the 1990s at the end of her period of rapid growth. Japan, on the other hand, though an embrace of free trade and expertise in robotics would briefly regain its status as the world's number two economy in the 2030s before China's growth returned. These same technologies brought a manufacturing renaissance in the United States. Nonetheless, these trends

¹ Adam Taylor, "It's Official: Japan's Population Is Dramatically Shrinking," *Washington Post*, February 26, 2016, Online edition, https://www.washingtonpost.com/news/worldviews/wp/2016/02/26/its-official-japanspopulation-is-drastically-shrinking/.

² Te-Ping Chen, "China's Bid to Alter Demographic Trend Will Be Tough," *Wall Street Journal*, October 30, 2015, Online edition, http://www.wsj.com/articles/chinas-bid-to-alter-demographic-trend-will-be-tough-1446225904.

meant that the Japan would remain a critical counter weight to China throughout the period.

As it was, 15 years into the new century, North East Asia was pregnant with the possibilities for dramatic change. The dramatic Chinese economic growth of the proceeding decades had begun to slow just as the Chinese government became more assertive abroad. The provocations of the young North Korea leader Kim Jung Un became increasingly dramatic as he sought the capacity to threaten the continental United States with nuclear weapons. These continued provocations lead many South Koreans to push hard against the restraining influence of the United States, as carefully calibrated responses seemed to do little to reduce the North's threats.

In Japan, the LDP, led by Shinzo Abe, continued to push for structural reform of the Japanese Economy and for the "normalization" of the Japanese state with regard to security affairs. In particular, the government sought revision of Article IX of the Japanese constitution. The economic stimulus of "Abenomics" continued to produce mediocre results, leading to increased hope that a return to export led growth might present a better option. Unlike in previous periods, however, carefully negotiated free trade agreements became seen the best option for improving export competitiveness. Thus, when the U.S Congress rejected Trans-Pacific Partnership in 2017, the Japanese government saw limited options for restoring growth. Rather than accept defeat, it salvaged the proposed free trade area without the participation of its chief sponsor. Capitalizing on the progress already made, the Japanese shepherded the renamed Trans-Pacific Trade Agreement (TPTA) to ratification in 2018. The agreement would prove the first marker of what would become an increasingly independent Japanese foreign policy

over the coming decades. While the agreement was initially unpopular due to the fear of dislocating many Japanese agricultural workers, the eventual success of the agreement, both in restoring limited economic growth and in placing Japan at the center of an international agreement, increased Japanese influence in future years.

The year 2018 also proved a turning point in Japanese security affairs. In early 2018, after the finalization of the trade agreement, the Abe government finally pushed through a successful amendment of the constitution that essentially removed the Article IX restrictions on Japanese armed forces. The celebratory mood in the LDP, however, would not last long. Internationally, while the change was welcomed by the United States, both Koreas as well as the Peoples' Republic of China reacted harshly damaging regional relations. Domestically, the two great LDP victories of 2018, which in retrospect marked the beginning of a more independent and assertive Japan, led to a popular backlash that brought the Democratic Party to power in the elections of December 2018.

Ironically, the loss to the Democratic Party would prove key to securing the LDP reforms. The Democratic Party lacked the supermajorities needed to repeal the new constitutional amendment and enough support had developed in specific constituencies for the TPTA that the Democratic Party could not abandon the initiative entirely. Once let out of the bottle, genies can rarely be coaxed back in. What the Democratic Party could do had the effect of softening the hard edges of these policies. Over the course of 2019 and 2020, the new government passed a comprehensive trade adjustment package that eased the transition to freer trade. The new prime minister also made official apologies to China and the Koreas for Japan's actions in the Second World War and, controversially, directed the revision school history textbooks to deal directly with the most difficult

aspects of Japan's wartime policy. In the long run, these two actions would do much to reduce the emotional-historical tensions in the region.

The next decade saw few major surprising changes. Chinese economic growth continued to falter, leading to increased domestic discontent. Unlike, some more dire predictions, the domestic troubles caused the Chinese government to focus inward on reform rather than seek to export its troubles. The reclaimed Chinese bases in the South China Sea remained, but the maritime territorial disputes both there and with Japan were once again moved to the back burner. No doubt this situation was helped by the continued failure to find economically viable undersea oil and gas deposits in the region and the dramatic improvements in battery technology and the development of a low-cost method for ethanol production from cellulose, both of which allowed renewable energy sources to dominate the energy market (and dramatically lessened Japan and China's dependence on oil imports). Additionally, sea level rises due to climate change made further reclamation projects difficult. As a result of the TPTA, Japanese economic growth reached 2% a year even as the population continued to decline. North Korea continued its provocative actions, but its missile development programs suffered from technical problems that stymied its advances.

The second major turning point in our story came in the early 2030s, and had its origins far from Japanese shores. In 2030, the restrictions on the levels to which the Iranian government could enrich uranium expired. While still the strongest economy in the world (due to China's slowdown), the margin of economic and military superiority America possessed had much declined since 2015. Negotiations to extend this portion of

the agreement failed, and by mid 2031, Iran had tested a nuclear weapon. This development set off a chain of nuclear proliferation.

Amidst what appeared to be the collapse of non-proliferation regime, the North Koreans believed they had finally solved the problems that had bedeviled their nuclear systems. Seeking international attention and needing to show progress to his people, Kim Jung Un made the brash decision to visibly demonstrate his long-range nuclear capabilities. In October, the North Korean regime test fired an intercontinental ballistic missile with a 1-megaton thermonuclear warhead into the South Pacific Ocean roughly 200 miles south of Pitcairn Island. A North Korean vessel captured still and video photography of the detonation, which when released to the world, served simultaneously as evidence of the North's weapons capability and the range and accuracy of its missiles. While the target area was carefully chosen to ensure no populated areas were within the blast radius or fallout plume, the test nonetheless caused fury around the world as radioactively from the world's first atmospheric nuclear test in decades was detected around the world. Of course, to reach its target, the missile had overflown Japan.

Each state in the region reacted strongly to the event. In both South Korea and Japan serious debate arose as to the continued usefulness of their U.S. alliances. Not only did the United States fail to stop or intercept the launch, but it was now explicitly clear that the North Korean government had the ability to target any American city. In Japan, the questioning of American extended deterrence guarantees combined with the general status of the non-proliferation regime led to high-level discussions about developing an indigenous nuclear bomb. Both China and the United States recoiled at this possibility. China, seeing both the possibility to drive a wedge between the U.S. and its allies and

finally recognizing that North Korea had become a net liability to its interests, sealed its border with the North. Simultaneously, the Chinese and the United States co-sponsored a resolution before the UN Security Council to condemn the test, and end all trade and financial relationships with North Korea. China refused to include a regime change authorization in the resolution. It did not matter. The Russians, whose economy and population had collapsed as that state had become more oppressive than it had been under Stalin, vetoed the resolution to demonstrate its own importance and to show solidarity with other dictators.

Meanwhile, the U.S. exerted heavy diplomatic pressure on the Japanese to refrain from building a nuclear weapon. The Chinese similarly pressured the Japanese, albeit in a more threatening manner. The United States successfully convinced the Japanese not to develop their own weapon, but only on the condition that it implement a nuclear sharing agreement as had existed within NATO during the early Cold War. Publicly, the U.S. merely announced a return of American nuclear weapons to Japan. Privately, however, these weapons to be made available for Japanese wartime use.

The U.S.-Japanese nuclear sharing agreement was not the only piece of secret diplomacy. As soon as the test had occurred, Beijing engaged Seoul in secret negotiations to find a "grand bargain" solution to the North Korean problem. China proposed acquiescing to Republic of Korea (ROK) led reunification of the peninsula on the condition that the ROK end the American alliance and insist on the removal of all U.S. forces from Korea. As memories of the 50-53 war faded and the South's technological advantage over the North had grown, more and more members of the South Korean defense establishment had sought the opportunity to resolve the stalemate between the

two Koreas for good. Two factors had traditionally restrained the ROK: the American alliance, and the fear of damage to the South. Now, North Korea's nuclear demonstration had led many to question the credibility of American guarantees, and the Chinese proposal opened a possibility for reducing the threat of damage at home if the People's Liberation Army (PLA) could be convinced to assist with the fighting.

A plan fit for conspiracy theory novels eventually emerged. The ROK would deliver an ultimatum to the North and mobilize for war. The PRC, acting as if the North had mollified its concerns, would, in the face of the Southern "threat," offer to once again provide a force of "People's Volunteers" to assist the DPRK. Once the PLA was spread throughout the North, it would turn its guns on the North Korean regime and seize its arsenal of Weapons of Mass Destruction. (Indeed, as it would turn out, one reason the Chinese had refused to discuss regime change in the UN resolution condemning the North had been because of the progress of the secret negotiations with the ROK and the need to maintain credibility for this plan). The mobilized ROK Army would then coordinate with the Chinese to take control of the North as the PLA returned to its bases and the Americans departed.

When the ROK began mobilization in July 2032, the Pyongyang government hesitated to accept the offer of the People's Volunteers, but when Chinese made reopening the border conditional on allowing PLA units down to the DMZ, DPRK agreed. On the 25th of July, the PLA launched its coup and seized control of the government buildings in Pyongyang, the North's WMD arsenal, and the artillery on the Kaesong Heights. The next day, the ROK withdrew from the U.S. alliances and formally requested U.S. forces to leave the peninsula as its Army began cutting paths through the

DMZ minefields. The vast majority of the stunned North Korean Army simply surrendered, though its Special Forces units melted into the Mountains and began the insurgency that continues to smolder to this day. By the end of the year, the PLA had returned to its garrisons and the ROK Army sat on the Yalu for the first time in 82 years.

The unification of Korea dramatically altered Japan's security situation. While the North Korean threat was no more, a united Korean peninsula, looking to China as its patron, was again a "dagger pointed at the heart of Japan." It took time, however, for this situation to be recognized. It took two years for the Americans to leave South Korea. The insurgency in the North raged with significant intensity for another three years beyond that before lessening to a smolder. The nuclear sharing agreement seemed to reemphasize the solidity of the American alliance.

As time passed, the new reality became clear. Relations between Seoul and Beijing continued to improve. The American military position in the region was much reduced with the elimination of its Korean garrison. Those on both the Japanese right and left who opposed the continued presence of American forces in Japan had seen the ROK's decision to terminate its American alliance as an example to emulate. Moreover, the value of the American alliance seemed reduced. Japan's lead in robotics meant that it could hold its own building the swarms of militarized drones that had played such an important role in the limited conventional fighting in Second Korean War. The United States' military position suffered since it had continued to invest in large aircraft carriers and manned aircraft through the 2020s leaving its advanced robotics units undercapitalized. U.S. Forces were also distracted by newly nuclear Iran. As Japan felt more vulnerable, military spending increased as did Japan's capabilities.

So it was that in 2042, two events occurred that would lead to the end of U.S.-Japanese alliance. First, a new right-wing government, brought to power by the population's growing security concerns, insisted on conducting the first realistic drill of the nuclear sharing agreement. The drill went poorly and discredited the program. Then, just as the cabinet was considering its next steps, a young Japanese woman was raped and murdered by a U.S. soldier in the Roppongi district of Tokyo, sparking massive protests. While the alliance had survived misbehavior of U.S. service members before, this incident proved fatal. Since the incident occurred in the heart of the Japanese capital, it received additional attention. The right argued that Japan was strong and could stand independently. The left argued that the alliances made Japan a target and risked dragging it into the Middle East mess. Political consensus solidified around following the Korean example and ending the alliance. Just as with Korea, it took several years for the Americans to withdraw completely. In the end, the right-wing government arranged it so the last American base closed on September 2, 2045.

Thus, East Asia reached its current alignment: Korea unified and aligned with China, the United States present only as an "offshore balancer," and Japan as a strong and independent voice within the region. The tension had broken and the spring had snapped back. Without minimizing the bloodshed in Korea, what is most remarkable is just how little violence occurred during the dramatic changes of the last 50 years. Perhaps these years have truly modeled a "new type of great power relations." MIT OpenCourseWare https://ocw.mit.edu

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