

Who We Are



- Reagan Heavin
– Energy



- Sean O'Neil
– Demographics



- Adam Hudson
– State Capacity



- Griffin Rozell
– Balance of Power



- Brandon Krueger
– Military



- Matt Suma
– Economy



East Asian Security in 2025

China: Competition, Cooperation, Plateau?

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Agenda

- Conclusions
- Projections
- Drivers
- Four Outcomes
- Questions

Conclusions

- China will rise to great power status
- As it rises China will seek to reshape its security environment and expand its influence
- Sino-American relationship will be the primary factor shaping the security environment

Projections

Most Likely



- Sino-American Competition
- Multilateral Cooperation
 - Responsible stakeholder
 - Defensive military buildup
- Multipolar Competition
- China Plateaus
 - Fueled by a perfect storm of factors

Least Likely

Drivers

- Economic Growth
 - Energy
 - Demographics
 - State capacity
- Chinese Foreign Policy
 - Regional relations
 - Military strategy
- US Reaction

Four Outcomes for Asia in 2025

	Outcome 1: Sino-American Competition	Outcome 2: Multilateral Cooperation	Outcome 3: Multipolar Competition	Outcome 4: China Plateaus
Economic Growth				
Chinese Foreign Policy				
US Reaction				

Outcome 1: Sino-American Competition

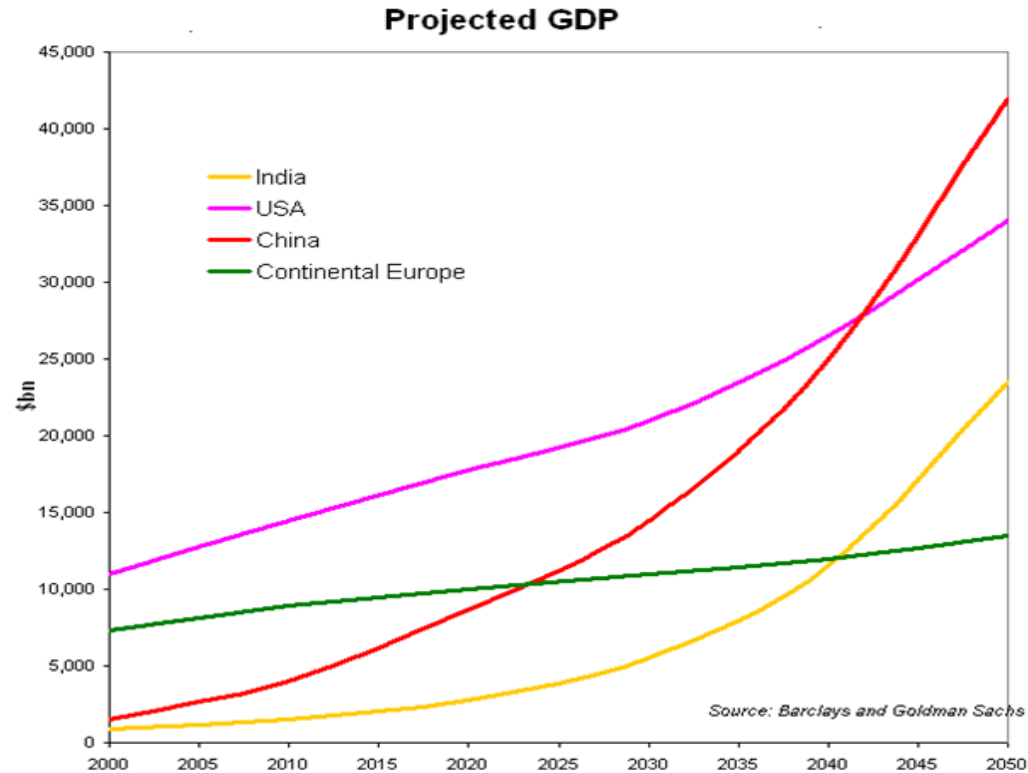


Four Outcomes for Asia in 2025

	Outcome 1: Sino-American Competition	Outcome 2: Multilateral Cooperation	Outcome 3: Multipolar Competition	Outcome 4: China Plateaus
Economic Growth	Continues			
Chinese Foreign Policy	Confrontation			
US Reaction	Containment			

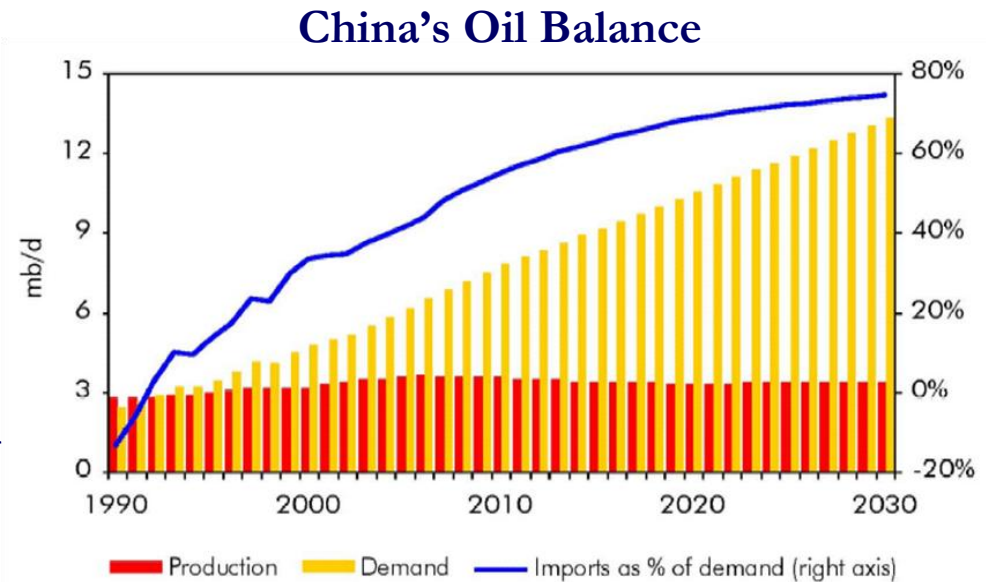
Economic Growth: Continues

- GDP increases steadily
 - Projected at 8-10%
 - Projected to overtake the EU before 2025
 - Projected to overtake the US within 30 years



Growing Energy Demand

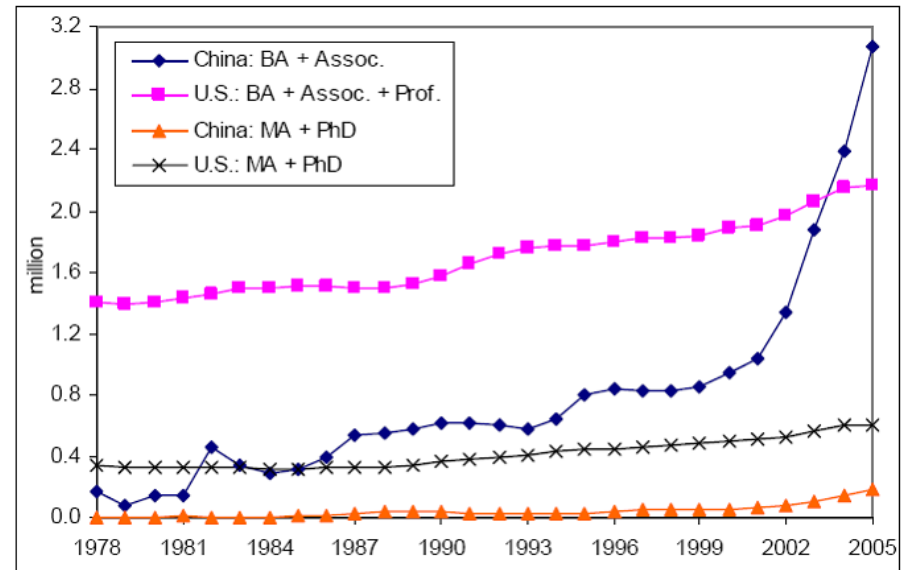
- Rising demand for oil imports
 - China’s “Go Out” Strategy
- Potential source of conflict beyond Taiwan
 - World production strains to meet demand
 - China driving rising oil prices



Positive Demographic Trends

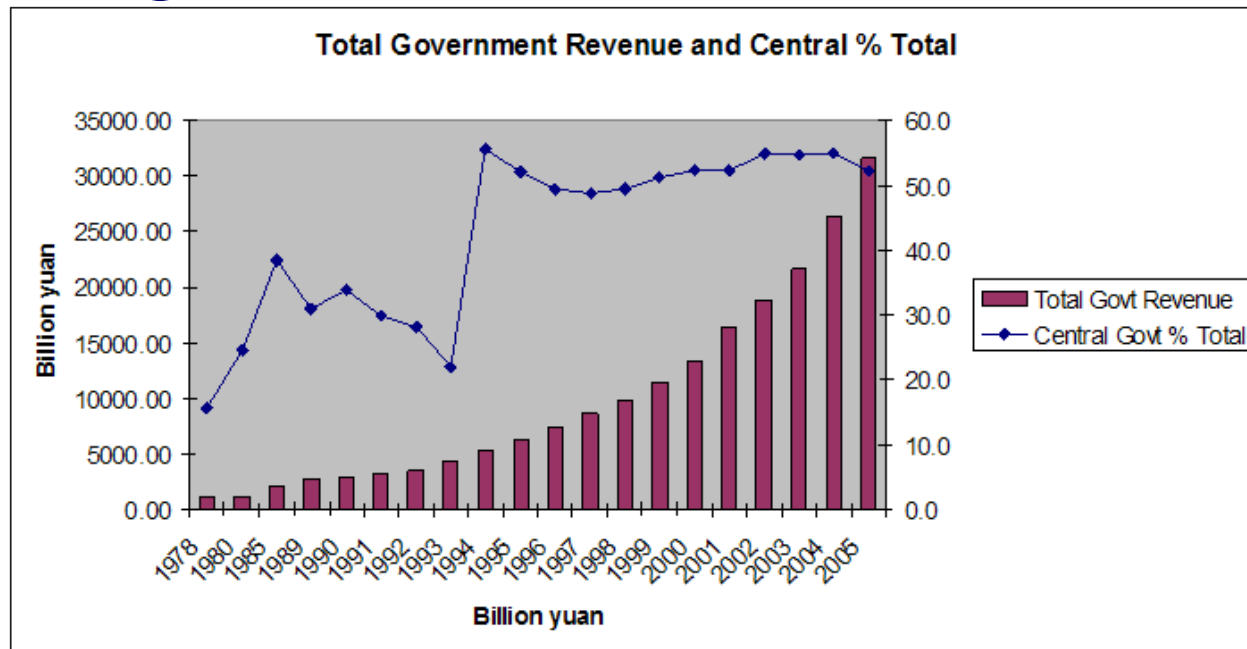
- Increasingly educated population
- Stable labor force until 2020

Number of Bachelors Degrees Awarded in China v. US



Improving State Capacity

- Generating revenue
- Controlling social unrest



Chinese Foreign Policy: Confrontation

- Continuing military modernization
- Anti-access/area-denial strategies
- Chinese revisionism



US Reaction: Containment

- Maintain current balance of power in Asia
 - Bilateral security alliances
 - Strong forward military presence
 - Bilateral economic alliances
- Prevent forceful Taiwanese unification

US Military Bases in Asia



● Military Base

Nature of Competition

- Security competition likely:
New Cold War
 - Competition for resources, arms, and allies
 - Chinese nationalism and desire for prestige
 - Chinese desire to protect SLOCs
- War unlikely but possible:
Miscalculation
 - Chinese attempts to reunify Taiwan by force
 - Territorial/resource disputes



Conditions Supporting Sino-American Competition

- Historical record supports the trends
- Regional institutions lack capacity to manage conflict
- Conditions leading to post-1945 peace and stability in Europe are not present in East Asia

Outcome 2: Multilateral Cooperation



Four Outcomes for Asia in 2025

	Outcome 1: Sino-American Competition	Outcome 2: Multilateral Cooperation	Outcome 3: Multipolar Competition	Outcome 4: China Plateaus
Economic Growth	Continues	Continues		
Chinese Foreign Policy	Confrontation	<i>Engagement</i>		
US Reaction	Containment	<i>Engagement</i>		

Economic Growth: Continues

- Demographics and state capacity are constant
- Increased multilateral trade
- Multilateral energy agreements

Chinese Foreign Policy: Engagement

- Multilateral security alliances
- Revisionism only about Taiwan
- Regional Sino-centric cooperation
 - The Middle Kingdom
 - Multilateral institutions



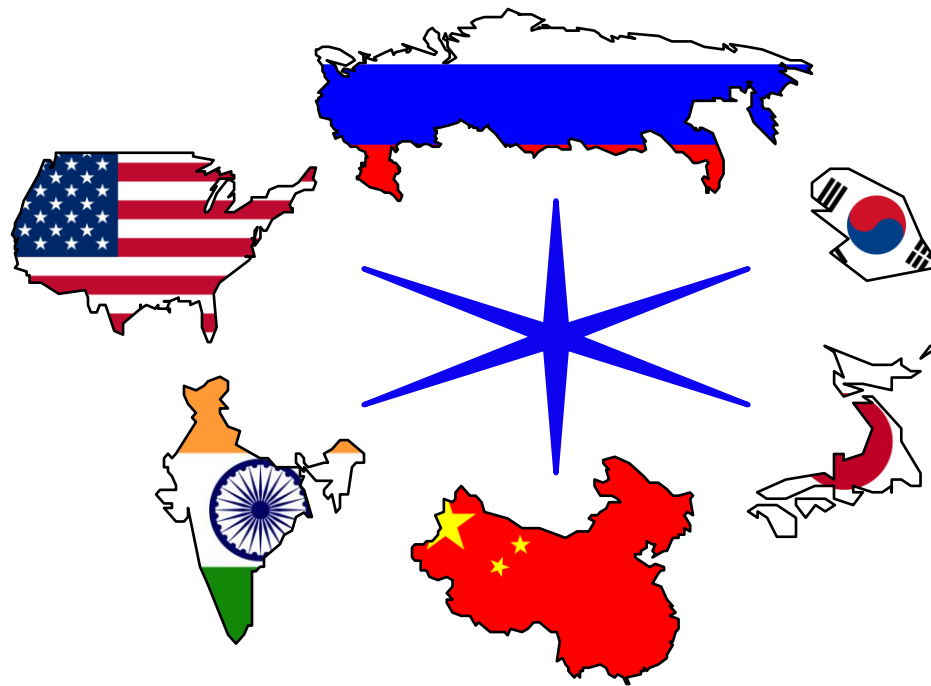
US Reaction: Engagement

- Promote multilateralism
 - Security
 - Economic
- Reduced bilateral relations

Conditions Undermining Cooperation

- US desire to preserve the current regional balance of power
- Weak regional institutions
- Current Sino-Japanese balance of power is unprecedented
- Differing approaches to governance among Asian nations

Outcome 3: Multipolar Competition



Four Outcomes for Asia in 2025

	Outcome 1: Sino-American Competition	Outcome 2: Multilateral Cooperation	Outcome 3: Multipolar Competition	Outcome 4: China Plateaus
Economic Growth	Continues	Continues	Continues	
Chinese Foreign Policy	Confrontation	Engagement	Confrontation	
US Reaction	Containment	Engagement	<i>Retrenchment</i>	

Economic Growth: Continues

- Demographics and state capacity are constant
- Bilateral trade
- Competition for energy resources

Chinese Foreign Policy: Confrontation

- Military modernization continues
- Power projection strategy
- Regional hegemony

China's String of Pearls



● Diplomatic or Military Pearl

US Reaction: Retrenchment

- Military overstretch
- Financial and economic shocks
 - Fiscal overstretch
 - Relative economic decline
- Changing public opinion about US foreign policy

Conditions Undermining Multipolar Competition

- US desire to preserve the current regional balance of power
- China prefers regional status quo
 - US presence restrains Japanese rearmament
- Economic interdependence

Outcome 4: China Plateaus



Four Outcomes for Asia in 2025

	Outcome 1: Sino-American Competition	Outcome 2: Multilateral Cooperation	Outcome 3: Multipolar Competition	Outcome 4: China Plateaus
Economic Growth	Continues	Continues	Continues	<i>Stalls</i>
Chinese Foreign Policy	Confrontation	Engagement	Confrontation	Retrenchment
US Reaction	Containment	Engagement	Retrenchment	Containment/ Engagement

Drivers

- Economic growth: Stalls
 - Social unrest
 - Aging population and public health issues
 - Energy shortages
 - Corruption
- Chinese Foreign Policy: Retrenchment
 - Niche military capabilities disrupt status quo
- US Reaction: Containment or Engagement
 - Dependent on degree of slowdown

Why a Chinese Plateau is Unlikely

- Drivers are not unique to China
- China has managed these issues without plateauing

Questions?

Four Outcomes for Asia in 2025

	Outcome 1: Sino-American Competition	Outcome 2: Multilateral Cooperation	Outcome 3: Multipolar Competition	Outcome 4: China Plateaus
Economic Growth	Continues	Continues	Continues	Stalls
Chinese Foreign Policy	Confrontation	Engagement	Confrontation	Retrenchment
US Reaction	Containment	Engagement	Retrenchment	Containment/ Engagement