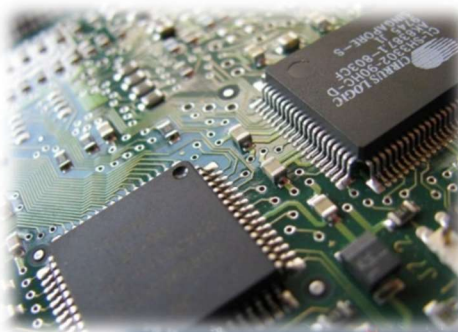




Top 10 Risks Threaten a Peace in Northeast Asia

February, 2022

200 foreign policy and security experts
from Japan, US, China, and the Republic of Korea graded



The Genron NPO

The Top Ten Risks Threatening Peace in Asia

The greatest threat in Northeast Asia in 2022 is the deepening US-China tension

Experts from Japan, the US, China, and South Korea were asked what risks threaten peace in Northeast Asia in 2022.

The Ten Risks Threatening Peace in Northeast Asia (2022) is a survey of experts from Japan, the United States of America, China, and South Korea to analyze and compare the views of experts from four countries on most pressing security agenda in Northeast Asia. It is annually conducted by The Genron NPO (Japan) in cooperation with the Asan Institute for Policy Studies (South Korea), East Asia Institute (South Korea), the China International Publishing Group (China), Grandview Institution (China), China Foundation for International & Strategic Studies (China) and the Pacific Forum (US).

Northeast Asia is currently facing a growing number of security issues, from the increased divide between the US and China, to the Taiwan Strait issue and North Korea's continued development of nuclear-armed missiles. We aim to explore the accumulated knowledge of experts from these four countries to determine their opinions on what the greatest risks to peace and stability in the region are this year.

These evaluations were conducted between January 7 and February 17, 2022. A total of 201 experts participated in the survey, with 50 each from Japan and the US, 70 from China, and 31 from South Korea. The evaluation was based on two criteria: first, the severity of impact from a potential conflict, and second, the possibility that a risk area could actually erupt in conflict in 2022. Each was scored out of four points for a combined total of eight points, with higher scores denoting higher perceived risk. In order to build the survey, we first asked 171 Japanese experts to narrow down the number of risks facing the region to 25 items, then these items were submitted to the experts for evaluation.

The greatest threat in Northeast Asia in 2022 is the deepening US-China tension

The survey results showed that according to the experts the greatest threat to peace in Northeast Asia in 2022 is the deepening conflict between the US and China. A number of risks connected to the

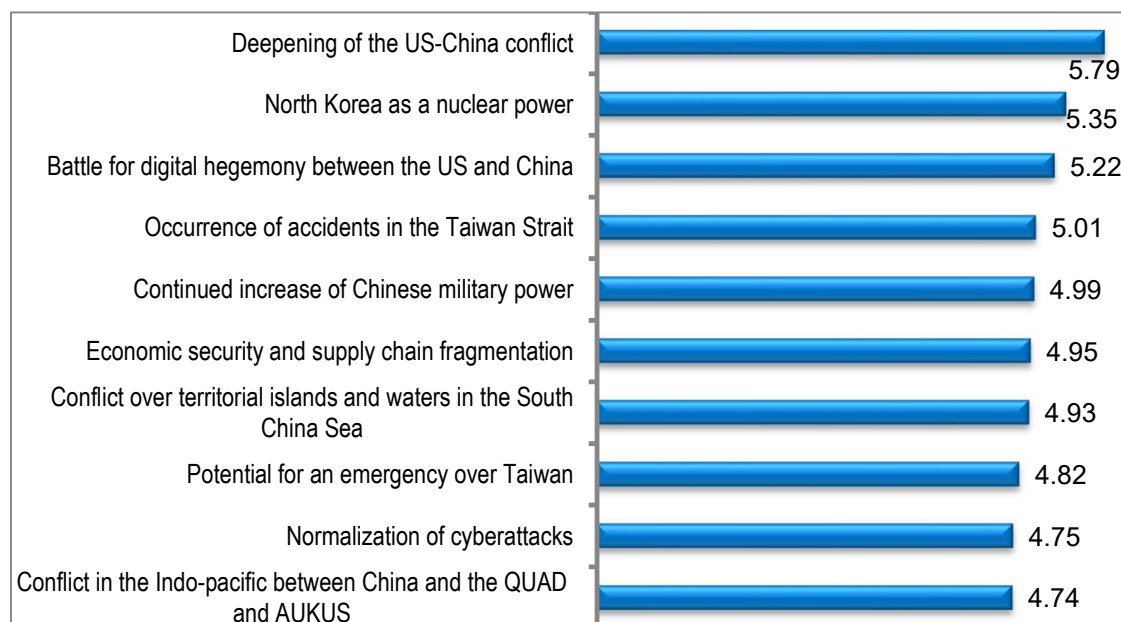
development of that conflict and the subsequent worsening of relations fell in the top ten, including the battle for digital hegemony between the US and China in 3rd, economic security and supply chain fragmentation in 6th, and conflict in the Indo-Pacific between China and the QUAD (Japan/US/Australia/India) and AUKUS (Australia/UK/US)

One notable characteristic of the survey was that risks connected to tensions surrounding Taiwan have risen in the regional risk rank for 2022, with occurrence of accidents in the Taiwan Strait in 4th place, and potential for an emergency over Taiwan in 8th place. Experts from Japan, the US, and China agreed that, of all 25 risks, the Taiwan issue would have the highest chance of destroying peace in the region, however, the chance of a conflict erupting over Taiwan in 2022 was considered low among the experts from all countries except the US, which is why those two risks ended up at 4th and 9th place. Comparing this year's top ten risks to last year's results, North Korea's possession of nuclear weapons fell from first to second place, and the two risks connected to COVID-19 both fell out of the top ten. In short, the experts from the four countries are most concerned about the worsening conflict between the US and China posing a greater threat to peace in Northeast Asia in 2022, and are very apprehensive about any subsequent economic conflict and about disputes over Taiwan.

【The Top Ten Risks Threatening Peace in Asia (amalgamated four-country score)】

Year: 2022

*4 out of 4 (4 is a full mark)



In order to take a closer look at how the experts from the four countries interpreted the risks threatening peace in Northeast Asia, we should first look at the risks through each of the two criteria. The table below describes the two criteria and explains how each was scored.

Criterion 1: What impact would conflict over an issue have, and how extensive would that impact be?

- 4 points: Could lead to conflict in the region (high impact/severity)
- 3 points: Will increase tension and require crisis management (moderate impact/severity)
- 2 points: Some concern about effect on peace in the region (low impact/severity)
- 1 point: Either unrelated to peace in the region, or if related, would have a minor impact
- 0 points: No impact

Criterion 2: What is the likelihood of a conflict erupting in 2022 over this issue?

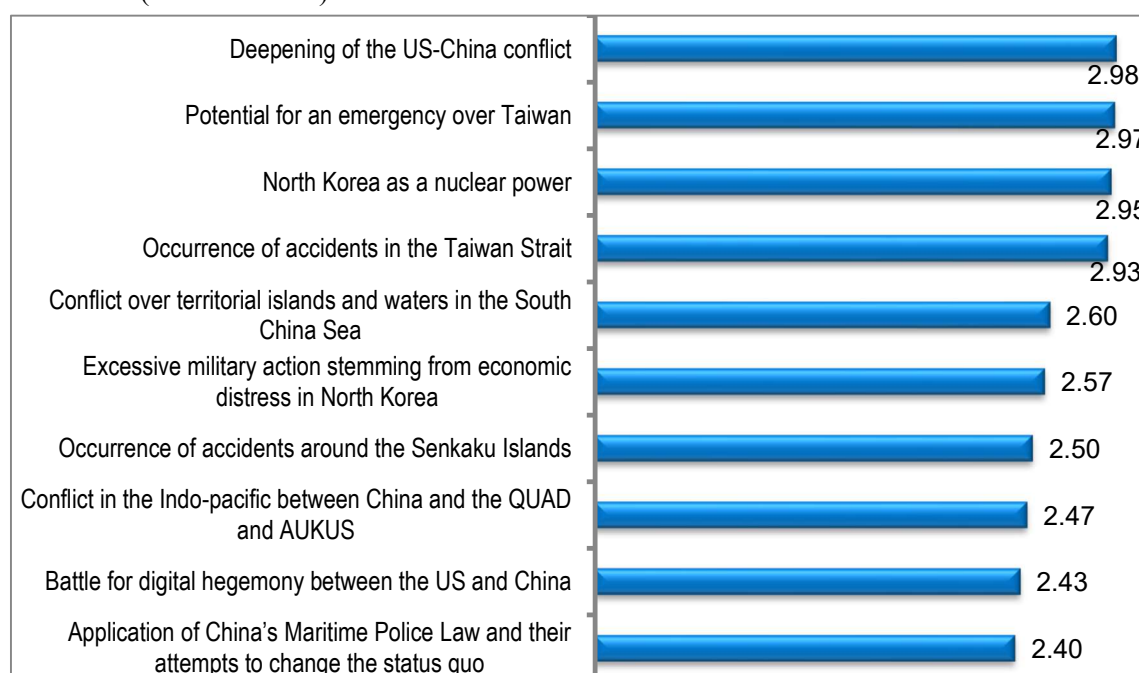
- 4 points: Conflict has already begun
- 3 points: High chance of conflict in 2022
- 2 points: Moderate chance of conflict in 2022
- 1 point: Low chance of conflict in 2022
- 0 points: No chance in 2022

In short, the first criterion was used to evaluate how severely a risk would impact peace in the region. This therefore revealed which risks to peace in Northeast Asia we should be focusing on. The second criterion was used to evaluate the likelihood a risk would result in actual conflict in 2022. So, to begin, let us look at which risks we should be thinking about.

【Top 10 risks in terms of its impact (amalgamated four-country score) 】

Year: 2022

*4 out of 4 (4 is a full mark)



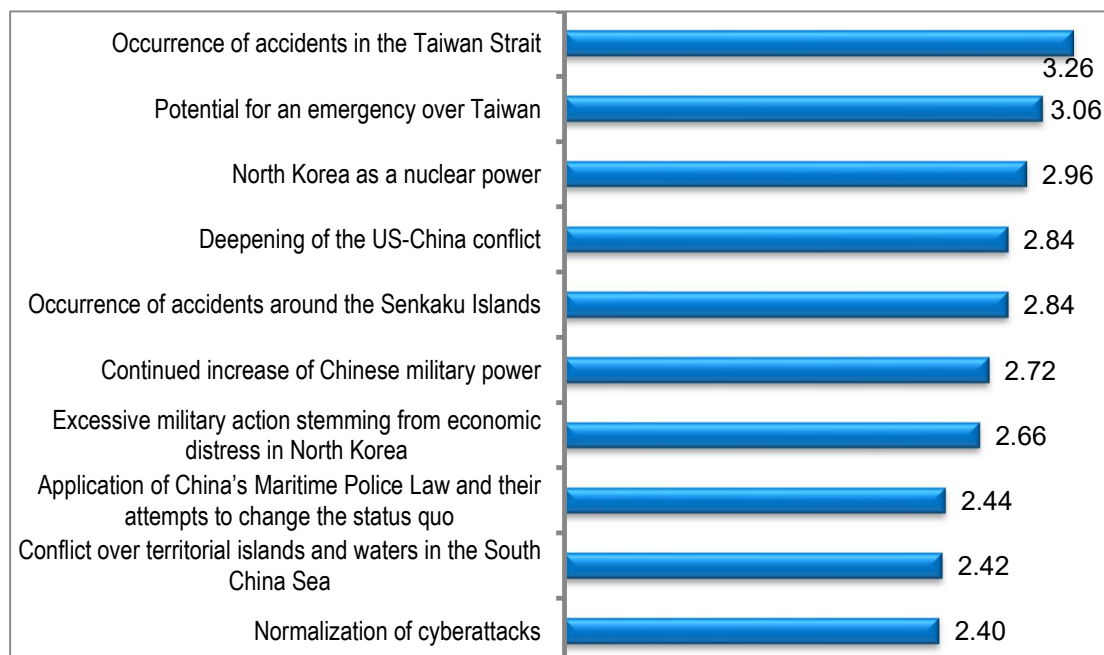
The combined data from all countries showed that the experts see the deepening conflict between the US and China, the possibility of a Taiwan emergency, the occurrence of accidents in the Taiwan Strait, and North Korea's status as a nuclear power as all being in the crisis management phase.

These four risk areas all scored significantly more than the other areas with scores in the range of 2.9 or higher. The placement of North Korea's possession of nuclear weapons within the top four could be the result of the country's recent and continued missile launches. A score of 3 denotes increased tensions and that a threat has entered the crisis management phase, so these results show that the experts from the four countries see all four risks as being exceedingly close to that phase. Worthy of note is that two risk areas connected to Taiwan are in the 2.9 range, with the possibility of a Taiwan emergency at 2.97 points, and occurrence of accidents in the Taiwan Strait at 2.93 points. This focus on Taiwan comes from the fact that the experts from both Japan and the US scored them the highest of the 25 risk items for criterion 1.

【Scores in terms of its impact among Japanese experts】

Year: 2022

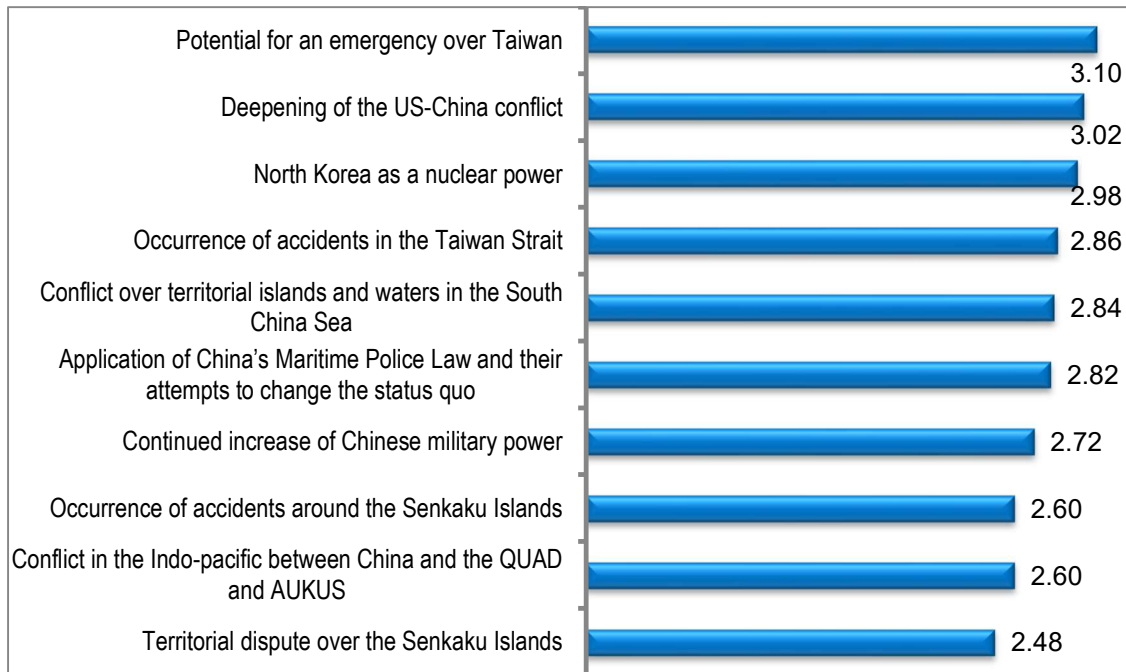
*4 out of 4 (4 is a full mark)



【Scores in terms of its impact among US experts】

Year: 2022

*4 out of 4 (4 is a full mark)



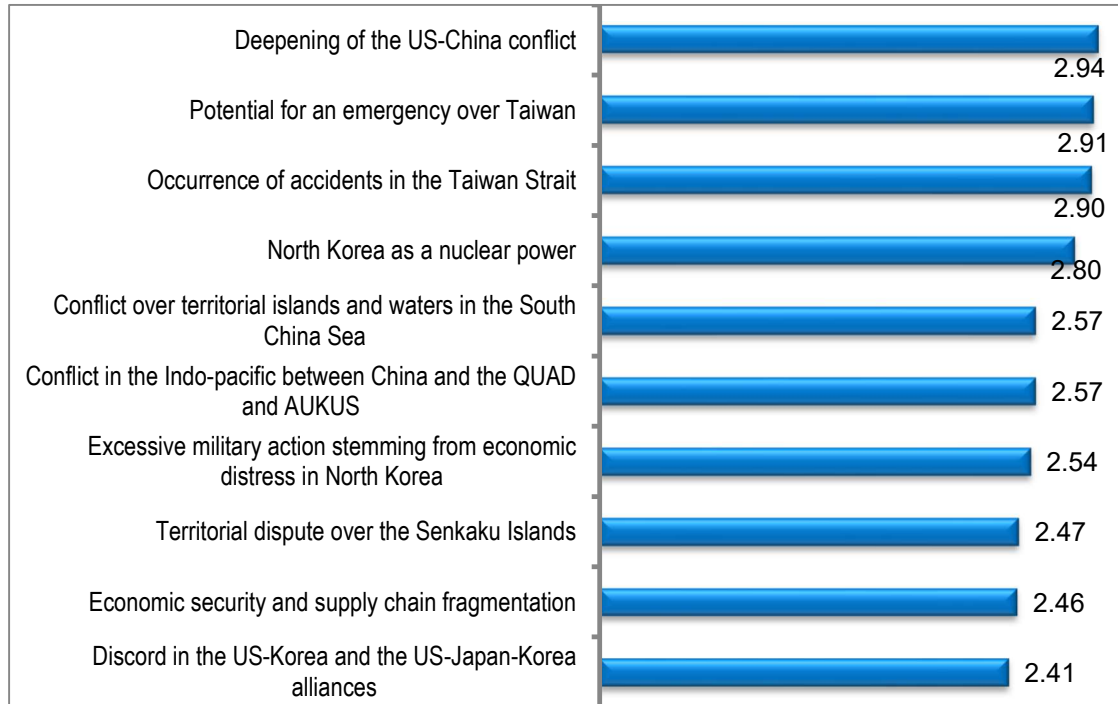
Looking at the Japanese expert survey results, the potential for an emergency in Taiwan comes at 2nd place with 3.06 points, whereas US experts placed it at 1st place out of 25 with 3.10 points. In addition, the occurrence of accidents in the Taiwan Strait came in at 1st place among Japanese experts with 3.26 points, and 4th place among US experts with 2.86 points.

Because a score of 3 points marks the crisis management phase and 4 points marks the conflict phase, the survey shows that US and Japanese experts place the Taiwan issue beyond the stage of crisis management, and into the stage of potential conflict.

【Scores in terms of its impact among Chinese experts】

Year: 2022

*4 out of 4 (4 is a full mark)



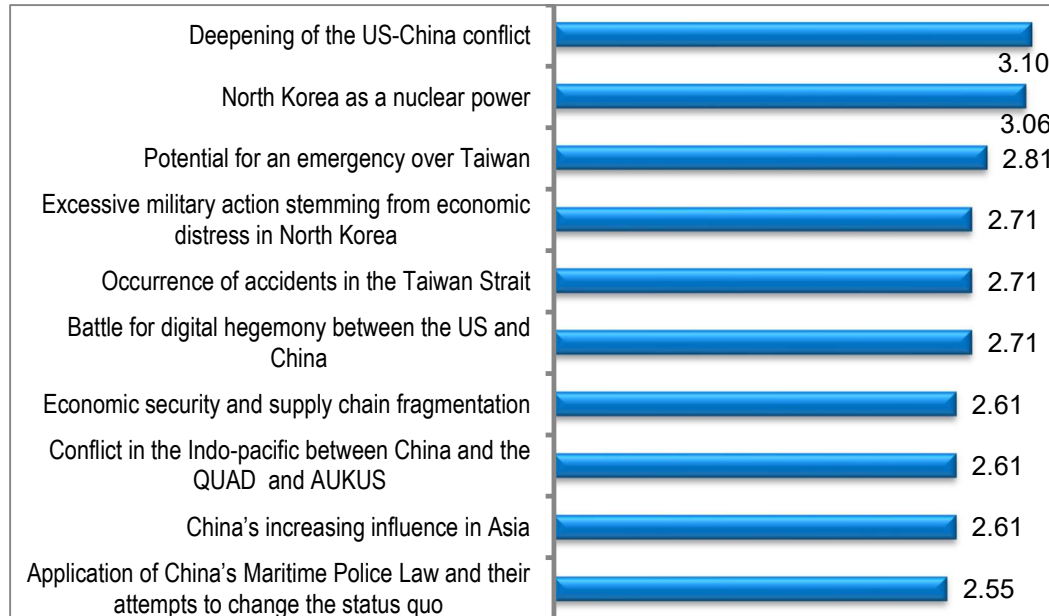
Let us now look at how the experts from China view the current state of Northeast Asia. We find that like their colleagues in Japan and the US, they are paying close attention to the situation surrounding Taiwan, but the bigger concern for them is the conflict between the US and China.

The Chinese experts judge that the greatest threat to peace in Northeast Asia in 2022 comes from the risks associated with the deepening conflict between the US and China (at 2.94 points). In 2nd place at 2.91 points is the possibility of an emergency over Taiwan, and at 3rd is the potential for accidents in the Taiwan Strait at 2.90 points. These results show that the experts from China see the Taiwan issue as almost being in the crisis management phase.

【Scores in terms of its impact among South Korean experts】

Year: 2022

*4 out of 4 (4 is a full mark)



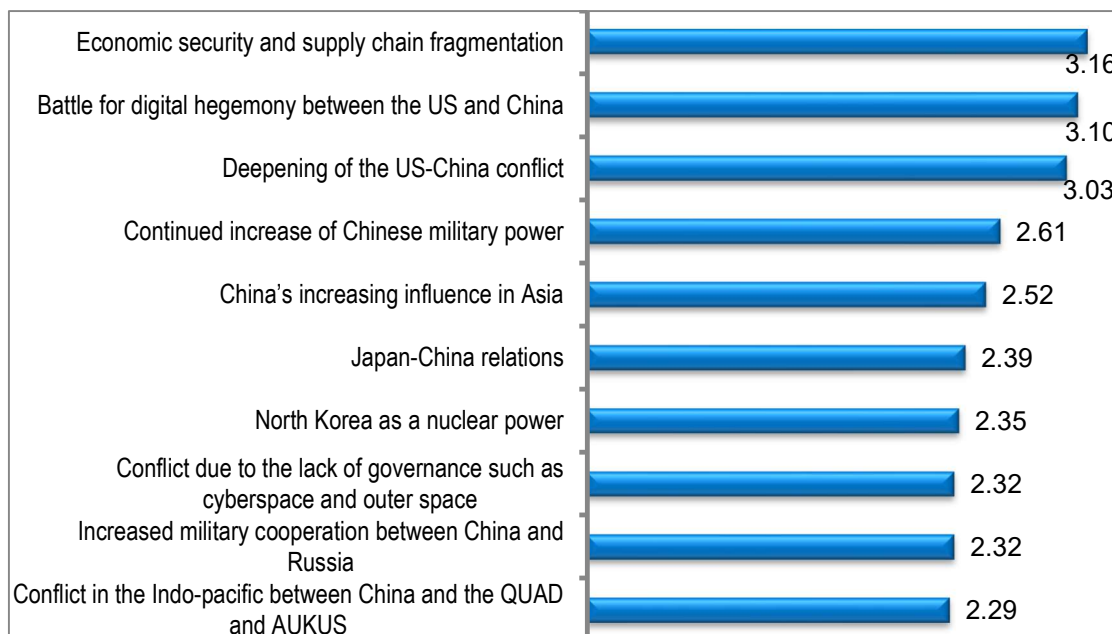
South Korean experts look at the risks somewhat differently, but they displayed a distinct nervousness about the development of the US-China conflict. The deepening conflict between the US and China falls at 3.10, higher than the 3.06 points scored by North Korea's possession of nuclear weapons, illustrating that they see the US-China conflict as the greatest risk to peace in Northeast Asia.

In 3rd place was the possibility of an emergency over Taiwan at 2.81 points, while the occurrence of accidents in the Taiwan Strait was in 6th place with 2.71 points. Under the second assessment criterion, these risks were evaluated for the likelihood they would erupt in conflict in Northeast Asia in 2022.

【Scores in terms of possibility among South Korean experts】

Year: 2022

*4 out of 4 (4 is a full mark)



The experts from all four countries believe that the conflict between the US and China has reached the stage where caution is needed, as it is highly likely to lead to security and economic difficulties in Northeast Asia. This was particularly true among the Japanese and South Korean experts affected by that conflict, who believe that the danger of a crisis occurring in 2022 is not only likely, but that a number of risk factors are a step beyond that and could be judged as already in the conflict phase. Under the second assessment criterion, there were no risks scoring above 3 points among the US or Chinese experts.

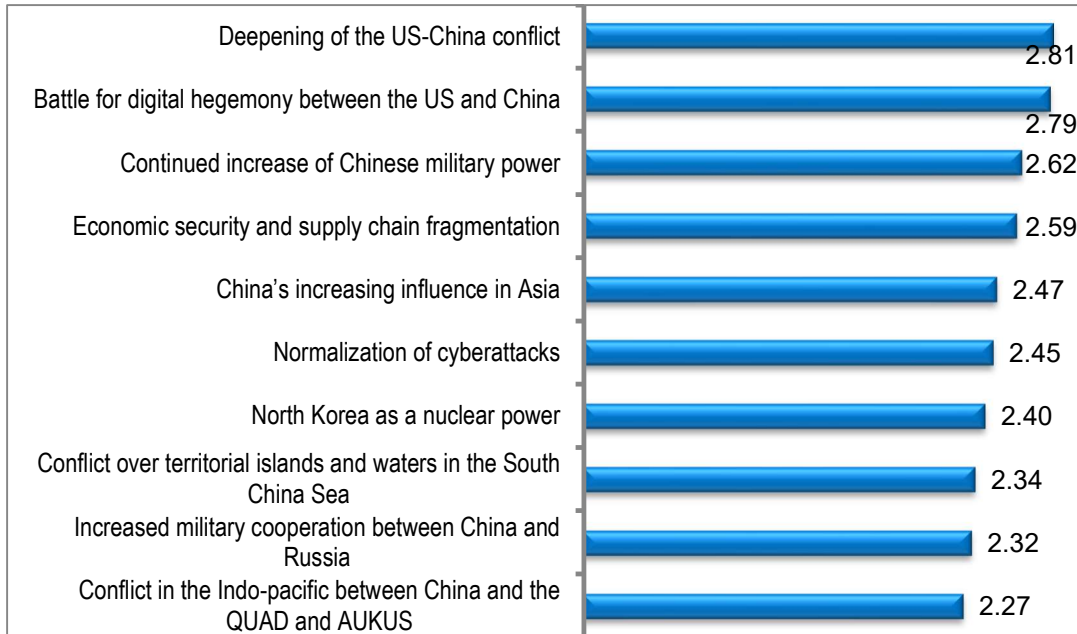
However, the Japanese experts scored six risk items at higher than 3 points, with South Korean experts scoring three risk items higher than 3 points. These results are connected to China's expanding military power and influence, and security and economic fragmentation arising from the US-China conflict. With a maximum of 4 points, a score higher than 3 points denotes a risk highly likely to erupt into conflict, while 4 points denotes that a conflict is already underway. Therefore, among the Japanese and South Korean experts, a total of nine risk items are seen as already in the conflict phase.

The second assessment criterion measures the likelihood of conflict, and with the Taiwan issue being considered the greatest risk to peace in the region in 2022, the survey highlighted that the experts from the four countries are wary about the possibility of the Taiwan issue erupting into conflict in 2022.

【Top 10 risks Scores in terms of possibility (amalgamated four-country score)】

Year: 2022

*4 out of 4 (4 is a full mark)



The amalgamated scores for the experts from all four countries show the occurrence of accidents in the Taiwan strait at 2.08 points and the potential for an emergency over Taiwan at 1.85 points. These scores both fall between the 2-point “50-50 chance of conflict” and the 1-point “unlikely to occur” stages. Taking a slightly closer look at the data, the Chinese experts scored the possibility of an emergency over Taiwan occurring in 2022 at 1.83 points, with the South Korean experts scoring it only 1.87. US and Japanese experts both answered that a Taiwan emergency is the greatest threat to peace in the region, but when asked about the chance it would actually occur, the US experts only scored it at 2.14, while the Japanese experts (in second place in terms of threat) only gave it 1.54 points. Meanwhile, while Japanese experts scored an accident in the Taiwan Strait at 2nd in terms of threat, they gave the possibility of it actually occurring in 2022 only 1.96 points, while China scored it at 1.64 and South Korea at 1.84.

The only standout result here comes from the US experts, who gave it a score of 2.86, judging it the most likely to occur in 2022 of all the threats considered. The experts were split into two groups on the root causes of these potential crises in Northeast Asia – with Japan, the US, and South Korea on one side and China on the other – and no agreement was found on whether the issues are being aggravated by China’s expanded military strength and influence, or by Japan’s military expenditures and the behavior of the US and its allies.

The experts from Japan, the US, and South Korea are greatly concerned about the shift in the balance of power in the region due to the increase in China's military influence under the US-China conflict, while the experts from China see these conflicts as being the result of the actions of the US, Japan, and other US allies.

Finally, in addition to these geopolitical conflicts, many experts in China, Japan, and South Korea are concerned that the impact of global warming on the increase in extreme weather conditions will result in difficulties in Northeast Asia in 2022. Chinese experts placed that issue at 6th with 2.34 points, Japanese experts had it in 10th place with 2.78 points, and South Korean experts had it in 11th place with 2.23 points.

Top 10 Risks

Threaten a Peace in Northeast Asia 2022

1. Deepening of the US-China conflict

Risk Rating: 5.79 points out of 8 points



The conflict between the US and China continued from 2021 into 2022. Opposition to China has strengthened with the establishment of AUKUS, a new security partnership between Japan, the United Kingdom, and Australia, the diplomatic boycott of the Beijing Winter Olympics, and the holding of the Summit for Democracy to which Taiwan was invited.

However, China has also strengthened its opposition to such actions, which seems to have further aggravated the conflict between the two countries. In the US, while the division between the Democratic and Republican parties continues unabated, they agree that the relationship with China should be considered one of strategic competition. It is possible that with his approval rating slumping, and with the fall midterm elections approaching, Biden will announce an even harder line to recover some ground.

Meanwhile, China will be holding the Communist Party congress in fall 2022 as well, and Xi Jinping is expected to enter his third term. What can be said at this point is that in order to consolidate his political position, Xi will not announce any US policy there that could be interpreted as weak domestically. US President Joe Biden and Chinese President Xi Jinping held a virtual summit in November 2021 for a dialogue establishing “guardrails” aimed at restraining China regarding its internal human rights issues and the stability of the Taiwan Strait, while preventing unforeseen clashes arising from the US-China friction. In addition, the countries are making progress in cooperating over measures to deal with global warming, so the relationship is not solely based on conflict. More than anything else, the possibility of a full-scale military conflict between the US and China is almost zero.

However, the conflict between them is likely to continue or even worsen, so it is almost certain that the US-China conflict will remain a risk to peace in Northeast Asia in 2022.

2. North Korea as a nuclear power

Risk Rating: 5.35 points out of 8 points



The panel of experts investigating North Korea's implementation of UN Security Council resolutions announced in its annual report that, in 2021, North Korea "maintained and developed its nuclear and ballistic missile programmes" and that it continues "to seek material, technology and know-how for these programs overseas."

While the report noted that there were no reported nuclear or ballistic missile tests, the experts also found that North Korea "produced fissile material, maintained nuclear facilities and upgraded its ballistic missile infrastructure." Missile testing was accelerating significantly, and the report emphasized their improved capacity. In fact, in the first month of 2022, North Korea launched missiles at a heretofore unprecedented pace – seven times in that month. Those launches included one of an intermediate-range ballistic missile, the first time such a missile had been launched by the country in four years.

Moreover, during the January 19, 2022 meeting of the Politburo of the Central Committee of the Workers' Party of Korea, the "confidence-building measures" with the US underwent a complete review, and it was indicated that consideration would be given to restarting "all activities that were temporarily suspended." That may have been a suggestion to resume the testing of nuclear weapons and ICBM test launches, which had been under a moratorium since April 2018.

However, the Biden administration is thought to be prioritizing negotiations with Russia on extending START and the JCPOA with Iran, so it is unclear how serious an effort the US will put into dealing with North Korea. Furthermore, while coordination between Japan, the US, and South Korea is essential to resolving the issues around North Korea, there are no signs of improvement in the relationship between Japan and South Korea. Due to opposition from China, the UN Security Council has not even issued a statement, let alone issued a resolution condemning North Korea's actions. In

addition, it has been confirmed that the transportation of goods by train between China and North Korea resumed on January 17. For these reasons, it appears that there will be no abolishment of nuclear weapons on the peninsula in 2022, so Northeast Asia has no choice but to learn how to coexist with the threat of a nuclear-armed North Korea.

3. The battle for digital hegemony between the US and China

Risk Rating: 5.22 points out of 8 points



Competition over semiconductors and other high-tech industries has already become the focus of the conflict between the US and China. Until recently, the US had maintained an overwhelming advantage in many technological areas, but now, China has managed to secure its advantage in many fields. China released its 14th Five-Year Plan in March

2021, which details how the country would be putting its focus on seven fields, including AI and quantum technologies, and that China would place further emphasis on the promotion of technological innovation.

That has resulted in the Biden administration, like the Trump administration before it, positioning China as a rival in digital and other advanced technologies. The competition will continue to heat up in new areas such as AI and quantum information technology, leaving no visible path forward for the US and China to call a truce in their battle for digital hegemony. Moreover, it is cause for concern that how such technologies will contribute to national security remains unclear.

Additionally, the National Defense Authorization Act enacted by the US Congress in January 2021 established that the US will increase support for semiconductors and next-generation communication technologies, and in Biden's April policy speech, he emphasized that the US would win in its competition with China. In June, the Federal Communications Commission (FCC) began the process of eliminating the use of Chinese-made communication equipment within the US.

At the urging of the US, Japan, the UK, and Australia are already working to eliminate Chinese-made products in those countries, and China is pushing ahead with its Digital Silk Road concept. As a part of the Belt and Road Initiative (BRI), it involves the

promotion of digitalization in other countries, primarily those in the BRI, under the leadership of China, and the aim is to promote the export of Chinese digital products and services, and to gain the initiative in standardization of next-generation digital technologies internationally. Due to these circumstances, it is expected that we will see diverging evolution in the technologies and systems built upon fundamental technologies developed separately by the US and China, and that sort of decoupling of high-tech fields threatens to make the decoupling of economies overall a more serious issue.

4. Occurrence of accidents in the Taiwan Strait

Risk Rating: 5.01 points out of 8 points



China continues to adhere to its “One China” policy as a matter of national obligation, and while it has asserted that it aims for peaceful reunification with Taiwan, it will not renounce the use of military measures to achieve its goal, and tensions remain high in the Taiwan Strait with Chinese fighter aircraft entering Taiwan’s air defense identification zone (ADIZ) on an almost

daily basis. The military balance between China and Taiwan is overwhelmingly in favor of China in every segment – army, navy, and air – of their respective armed forces. In recent years, PLA forces have become increasingly active in the area around Taiwan, with incursions by roughly 380 PLA aircraft into the Taiwanese ADIZ in 2020, and that number almost tripling in 2021 to a total of 950 aircraft.

However, Taiwan has an expanded submarine force in the planning stages and is strengthening its defense capabilities in other ways as well. Meanwhile, the US and its allies are increasing their efforts to reign China in. Last October, Taiwanese President Tsai Ing-wen revealed that US military trainers have been operating in Taiwan training its armed forces.

In addition, the US has had guided-missile destroyers transiting the Taiwan Strait almost monthly in recent years, and the UK sent a ship through the strait last September, with France and Canada following suit with their own ships in October. Communications channels between the militaries of the US and China such as those based in Military Maritime Consultative Agreement (MMCA) are not functioning sufficiently, and with the diplomatic relationship between the countries also undermined, the chance of an accidental clash between them seems high. Even without the outbreak of a full-scale military conflict, there may be smaller-scale military clashes over issues such as China’s occupation of remote islands.

5. The continued increase of Chinese military power

Risk Rating: 4.99 points out of 8 points



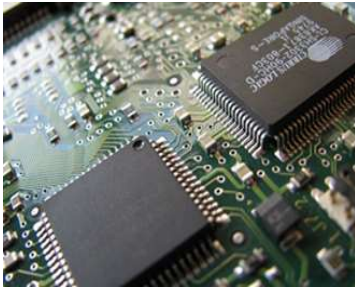
China's defense budget for 2021 increased by 6.8% from the previous year to over 1.35 trillion yuan (roughly 22.6 trillion yen). This is the second largest military budget in the world after the US, and roughly four times the defense spending of Japan.

China has not disclosed the number of nuclear warheads it has,

but according to the US Department of Defense annual report on military and security developments in China released in 2021, they are expanding their nuclear capabilities at a faster pace than expected, with the report stating, "The accelerating pace of the PRC's nuclear expansion may enable the PRC to have up to 700 deliverable nuclear warheads by 2027. The PRC likely intends to have at least 1,000 warheads by 2030." It also seems that China is further ahead than the US in their development of hypersonic glide vehicles that can carry nuclear warheads.

Meanwhile, no progress has been made in developing the New Strategic Arms Reduction Treaty (New START) to incorporate China into the nuclear arms control framework, an effort sought by the US government under former president Donald Trump.

Furthermore, the development of quantum tech, drones, artificial intelligence, and other advanced technologies is moving forward at a breakneck pace, and it seems that the goal President Xi Jinping set four years ago to build the PLA into a "world-class military" by the middle of this century is steadily growing closer to fruition. The failure to increase transparency regarding China's military capabilities has become a catalyst for increased distrust in neighboring countries that may result in an intensified arms race, which could have a serious impact on peace in Northeast Asia.



6. Economic security and supply chain fragmentation

Risk Rating: 4.95 points



7. Conflict over territorial islands and waters in the South China Sea

Risk Rating: 4.93 points



8. Potential for an emergency over Taiwan

Risk Rating: 4.82 points



9. Normalization of cyberattacks

Risk Rating: 4.75 points



10. Conflict in the Indo-Pacific between China and the QUAD and AUKUS

Risk Rating: 4.74 points

About The Genron NPO

In Cooperation With:

Republic of Korea: The Asan Institute for Policy Studies, East Asia Institute

China: The China International Publishing Group (CIPG)

Grandview Institution, China Foundation for International & Strategic
Studies

The United States: the Pacific Forum

Edited by

Yasushi Kudo President, The Genron NPO

Yuho Nishimura and Watanabe Seiko

< Please send all inquiries about this survey in the address below >

Authorized Non-profit Organization, The Genron NPO

LAUNCH 5F, 3-7-6 Nihonbashiningyocho, Chuo-ku, Tokyo Japan 103-0013

Tel +813-3527-3972

[info<at>genron-npo.net](mailto:info@genron-npo.net)