PARTICIPANTS:

PANEL 1: U.S. STRATEGY IN ASIA:

Moderator:

THOMAS J. CHRISTENSEN
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Panelists:

RICHARD BUSH
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MR. BADER: Good afternoon, everyone. I’m Jeffrey Bader. I’m a senior fellow with the John L. Thornton China Center here at Brookings.

For those of you who were expecting Tom Christensen, who was on the program as the moderator, Tom, unfortunately, had a personal emergency and is unable to make it today, much to his and our regret. This event on “Understanding the U.S. Pivot to Asia” is sponsored by the John L. Thornton China Center and the Center for Northeast Asia Policy Studies at Brookings. The program will be available in audio and video on our website in about a day or two for those of you who don’t pay as close attention as you should. (Laughter)

President Obama’s November trip to Asia was described by members of his administration as illustrating the pivot in U.S. policy from preoccupation with the 10-year-old war in Iraq that was ending and U.S. involvement in Afghanistan, where withdrawal of U.S. troops was beginning. Some administration members described a pivot to the Asia-Pacific as central to the new strategy. Others talk more generally of a pivot to areas of higher priorities to the United States, of which they identify the Asia-Pacific as one.

The President's trip focused attention on the Asia-Pacific region, as such trips invariably do, but in this case, the focus was facilitated by a series of steps taken during the trip. The U.S. joining the East Asia Summit and the President participating for the first time highlighting of disputes over the South China Sea at the East Asia Summit and through Secretary Clinton’s visit to the Philippines, announcement of an umbrella agreement on the transpacific partnership, grouping non-Asia-Pacific countries, the U.S.-Australia agreement to deploy U.S. Marines to Darwin, Australia, on the rotational basis for joining exercises and training and the dramatic opening to Burma, highlighted by Secretary Clinton’s visit to that country, ending years of U.S.-imposed isolation. The media and some Asian observers chose to see all these steps as part of a blueprint for American containment, constraining, or a pushback against arising China. By contrast, administration explanations of the overall strategy and individual decisions emphasize U.S. objectives in Asia, the desire for a positive relationship with China and specific rationales for each decision having little or nothing to do with China. The publication of a U.S. defense strategy report in January on making clear the priority of the U.S. places on the Asia-Pacific
and on being able to overcome anti-access strategies of China and Iran heightened attention to the U.S. strategy.

Today, our panelists will talk about these events, what they meant, what their purpose was, whether they represented a new policy, and what reactions have been in the United States, in Asia, and more specifically in China. Our speakers are well-known to you and you will have seen their bios on your way in, so, I won't take time to spell out their considerable achievements.

Our first speaker will be Ken Lieberthal. Ken is the director of the John L. Thornton China Center at Brookings and was my colleague at NSC in the late 1990s as senior director for Asia. Ken will talk about the overall purposes and objectives of the administration’s Asia policy and challenges it faces in implementation.

The second speaker will be Richard Bush, director of the Center for Northeast Asia Policy Studies at Brookings and also a colleague of mine in the late 1990s as national intelligence officer for Asia and subsequently director of the American Institute on Taiwan and Washington. Richard will speak about Asian reactions to U.S. policy.

And our third panelist will be Jonathan Pollack, a Brookings senior fellow and the Thornton Center expert on China, Korea, and the rest of northeast Asia and writer of a wonderful book on North Korea, which I recommend to you all, who will speak about the Chinese reaction to U.S. policy. We will have Q and As after the presentations.

Ken, over to you.

MR. LIEBERTHAL: Thank you very much, Jeff, and let me add thank you for stepping in at the last second to moderate this panel as well as the panel that will immediately follow.

I want to address four topics: One, the substance of the pivot, which Jeff kind of enumerated. I want to give a little gloss on that. Secondly, to what extent is this something new that we’re seeing? Thirdly, what are the positive aspects of it? And fourthly, what are some of the concerns or at least some of my concerns about it. So, let me run through each of those in turn.

First of all, substance, there are four dimensions, I think, to set up policies that the President laid out so clearly when he made his 10-day trip to Asia in November. First, on economics and trade, the focus here was on the transpacific partnership. We'll be having a much more detailed
discussion of that on the second panel this afternoon.

Let me just note broadly this is a multilateral platform that is being negotiated involving countries of the Asia-Pacific region. It is what I would call WTO-plus. In other words, it encompasses a lot of the kinds of things in WTO, but adds things like labor standards and environmental standards that go beyond what's in WTO. What was to my mind distinctive here is the President really focused on getting this negotiated and announced by December of 2012, I guess one month after the election this year, but it’s a timetable that I haven't seen before, and I note, finally, and pending this afternoon’s later discussion, many of the details of this, including even the ultimate membership of it, remain in a process of development. So, this is a target and a focus, but not a set piece that he was putting into place.

Secondly, on the military side, the major message was that despite serious potential cuts in anticipated Department of Defense spending over the coming 10 years, our presence in Asia will not be affected by those cuts. A lot of the media focused on the announcement of rotational deployments of U.S. Marines in Darwin, Australia, that will build up eventually to 2,500 people per rotation by 2016. My own feeling is that's a footnote and that the real message here was overall defense cuts are not going to affect our position in Asia.

Thirdly, on the diplomatic side, as Jeff mentioned, there was a focus on the East Asia Summit, the first time a U.S. President has attended that, and on the security side, it was really moving back to the center, I think, of U.S. multilateral security diplomacy in Asia. And then on economics and trade, the TPP, I think in both circumstances this is moving our focus to forums where the U.S. plays a major leadership role as versus other forums in which we participate but where we have less of a leadership role or the forum is less active and concrete, such as the ARF versus the EAS. And fourth and finally, human rights and democracy, frankly, my own sense is that this is not been a centerpiece of Obama administration foreign policy, but I think the Arab Spring inevitably moved that forward as a global democracy agenda and then developments in Burma have kind of pulled the U.S. into that and we responded and that took the form of an announcement of Secretary Clinton’s trip that would occur in early December, the announcement was made during the November trip to Asia.

So, that’s a broad kind of substantive pillars of the pivot to Asia. In terms of what is new, I think the key message is this is, in fact, not something that is brand-new at all. The key elements of it in
most cases go back anywhere from one year to more than a decade.

For example, U.S. participation in the East Asia Summit was nailed down more than a year ahead of the actual participation in the East Asia Summit and the Chinese welcomed that, I might add. The TPP, Trans-Pacific Partnership, was initiated by the Bush administration. This marks an acceleration and specification, but not anything new under the sun that was put forward in November of this year. What is, I think, significant is that the President and the administration have imposed some complementarity and synergy to an array of efforts that have been percolating along in one fashion or another in Asia, and let me say pulling things together and giving them a synergy is itself a significant accomplishment, one that is typically too difficult for administrations to pull off. I say that as having served in one and I certainly did not think when I was in office that we had an integrated, synergistic policy toward all of Asia. It was just too difficult a thing to pull together.

Turning to one of the positive aspects of this kind of packaging, if you will, and integration, I think the main thing is frankly that it is region-wide, fundamentally, that we are thinking in terms of a region-wide, fairly integrated strategy toward all of Asia. Conceptually and bureaucratically, that is very tough to do. I would give the administration, frankly, high marks for moving it as far along as they have been able to do and I would stress in this that it focuses on the region, not on China.

China is clearly a major part of the region. Therefore, China is by no means outside of this, it’s a significant part of it, but this whole thing is not how do we stop China and I think it’s a serious mistake to view it in its various components solely through that framework. It also gets the U.S. more positively into the game in terms of the regional economy and to my mind one of the great weaknesses of the Obama administration until 2011 was its failure to have a successful economic and trade policy towards Asia.

In 2011, we got the KORUS, the free trade agreement with South Korea moved through on our side and in Seoul. That was a major step forward, now setting a target date for TPP, I think, simply builds on that and leverages it in a very effective way. Thirdly, this provides serious assurances on American military priorities, which I think is quite important at a time when it is both well-known throughout Asia that we are facing defense budget constraints going forward. Absolute number hard to specify at this point, but significant constraints at the same time the PLA budget continues to go up by double digits
every year. And, so, to make a firm statement that Asia will be protected from defense cuts I think is a very significant statement to make out in the region.

And, finally, and, by the way, not least at all, I think the President very successfully conveyed a sense of American dynamism. I mean, a lot of people have begun to think America can no longer walk and chew gum at the same time, right? That we’re edging over into decline, we’re becoming dysfunctional, et cetera, and the capacity, diplomatic and otherwise, to put together this trip with a series of significant elements to it or to orchestrate it the way we did and present it as effectively as the President presented it frankly I think was pretty impressive and I think it made a serious impression in the region that we were able to do so. So, there was no sense here of the U.S. as a declining power, rather, there was a reaffirmation the U.S. is here for a very long time and will play a leadership role. I differentiate that from being the leader who gives orders to others. A leadership role is one that promotes significant outcomes and works with others to achieve them in the region.

In terms of the China dimension on this, frankly, I think if this is handled well, this may have a beneficent effect on U.S.-China relations and on China’s own activities in the region, and the two, obviously, are closely linked. My strong feeling is the leadership in Beijing is very pragmatic. I mean, these folks don’t live in an ideological bubble. They’re astute analysts of the world around them and they will adapt their policies based on their serious assessment of what they face in Asia. So, a demonstration, U.S. clarity of principles and goals of U.S. diplomatic capabilities and of U.S. strengths can prove very useful in structuring a healthy U.S.-China relationship and a healthy set of relationships throughout Asia.

Let me put that slightly differently. If China sees the U.S. as in decline, I think, first of all, part of the narrative in China is very much that a U.S. in decline will work especially hard to prevent China from rising or to constrain China’s strives in order to maintain our superiority for as long as we possibly can and the Chinese will find ways to push back against that quite strongly. So, I think actually China seeing the U.S. as vibrant, affirmative, reaching out to China effective throughout the region is an image that actually creates more constructive Chinese behavior towards us and provides on our side more confidence to deal with China in a very constructive fashion. So, I think that all of this is potentially good news about what occurred.
So, where are the concerns? My concerns are several fold. One is simply with the term “pivot,” which Jeff kind of highlighted in his introductory comments. First of all, pivot, if you think about the meaning of pivot, is not accurate to describe what we are doing here. Pivot suggests that, well, we were looking there and now we’re looking here. Well, I'm sorry, we’ve been looking here all along; we were also looking there, right? So, it suggests that we left Asia and have returned to Asia and I’m not aware of anyone who studies it seriously who would conclude that we ever left Asia.

I would argue that I think the previous administration, the Bush administration, took his eye off the ball on Asia regional issues, issues of region concern to Asia, but they sure didn’t take their eye off the ball on U.S.-China relations and U.S.-Japan relations, and, so, it was engaged, but, arguably, with as great a nuance on the regional level as they may have been. So, I don't think we ever really left.

The other unfortunate part of the term “pivot” is if you can pivot it once, you can pivot it again. So, it suggests that we may not be here for the long run, and, again, I think that’s absolutely wrong. So, the other term in the administration that we hear is “rebalancing towards Asia,” and I think that, in fact, captures it much more effectively. Drawing down expenditure resources in the Middle East, we have a little more bandwidth and capability to give Asia its full due, especially given Asia’s continuing growth and its importance in the global arena, and, therefore, in our own future.

So, I prefer rebalance, but, as you can see, we termed this whole session the “Pivot to Asia” because, unfortunately, to my mind, that was in the initial press briefing to the White House Press Corps when they were going to go out and accompany the President. Therefore, it became the term of the trip and therefore, to fill this room, we figured we better call it the “Pivot to Asia.”

A second problem is that it’s terribly important to maintain a nuanced balance in what we do and I think there is the potential for a moderately slippery slope toward growing confrontation with China here. You can spin a narrative about the President's trip and follow on actions, including our defense strategy that was announced after the trip, that would take things that are relevant to China and portray them as aimed against China, and, frankly, I would find an easy time writing those talking points. I happen to think those talking points would be wrong, but they can be powerful. And, so, I think it requires a lot of self-discipline to make sure that our rhetoric doesn't feed a narrative that will end up being destructive.
And in that regard, I have to say that my personal view is that there are somewhat distinct agendas in some parts of the administration related to this policy. Let me say there are always distinct agendas in any administration related to any broad strategy. I see Doug Paul nodding his head yes. So, Democrats and Republicans both agree on that broad statement.

To my mind, the White House approach at its core is we need to fully engage China and also have the United States fully participate overall in Asia’s regional dynamism. The latter is not against the former. The two are both extremely important and we benefit from both. When I look at the State Department, I find a little more fully engaged China, but for the region outside of China, the engagement has more of an edge of warning the region to cohesively make it difficult for China to do bad things in the region. So, there’s a different edge to some of the rhetoric that I see from some in the State Department, out in the region, and also back here. More of resist China initiatives in the region rather than what I deem to be a somewhat different slant on that from the White House.

And then, thirdly, in the Defense Department, frankly, all of this is part of the battle over future resources for the Defense Department. Whose ox is going to get gored? What weapon systems are going to be procured? Will we build a new major bomber? We don’t need a new major bomber to take care of the Kuwait problem, right? So, there are a lot of resources that are now up for grabs in the Pentagon and there is a tendency among some there to explain why we need particular resources in terms of China, which is that the most potent explanation you could come up with potentially out there.

And then finally, overall, I think the credibility of our strategy is not assured. You have to keep in mind as we say TPP, China is welcome to join the TPP if it accepts the principles laid out by the President and all that kind of thing. But the reality is for every country in Asia, its biggest trade partner is China and not the United States. All right, so, there is no one who’s willing to engage in activities that will cut them off from participating in China’s growth, right, and that’s a huge constraint, and, so, as we try to develop something with kind of American principles underlying it, we have to be sensitive to that fundamental reality in the region.

The President talks, I think, eloquently about U.S. democracy, but U.S. democracy right now, frankly, does not look very good in Asia. It doesn't look very good in Washington, right? I mean, we demonstrate the dysfunctionality of our national level of government day after day after day, and, so,
you're working with a somewhat tarnished image there that you're trying to promote and that's a problem.

And then, finally, security in the region is costly. Security costs a lot of money, so, to say we will protect Asia from any defense cuts is to say we’re prepared to spend one heck of a lot of money out in that region for a long period of time. If we can't pull off the economic and trade side of that agenda, China’s going to see Asia’s profit center and for us, it’s going to be a cost center, and that's not sustainable.

All right, so, to conclude, let me make three points, and I apologize for going about three minutes over my time. One, the pivot to Asia is a serious effort at a region-wide, integrated strategy. In that regard, frankly, to my mind, it is both admirable and important.

Second, we need to take care to manage the rhetoric and actions behind this strategy effectively because no countries in the region want either sole American dominance of the region or a requirement effectively that they choose between America and China. Everyone welcomes U.S.-China at competition, but not the kind of friction that would force tough choices on other countries, and we have to be very careful how we manage all of this.

And then, thirdly, and a kind of new point in the conclusion, but I anticipated in my earlier remarks, frankly, at the end of the day, the most important single element to our success in Asia will be whether domestically we get our house in order, whether domestically we're able to adopt and integrate a set of policies that will effectively address our fiscal problems over time and show that we can actually function effectively politically so that America will bounce back, and if that happens, frankly, this becomes very credible and a lot of good things follow from that. Thank you very much. (Applause)