

ONE

## ASIA POLICY: THE BIG PICTURE

UNDER THE GEORGE W. Bush administration, U.S. policies toward most of the major countries in Asia were generally sound. President Bush arbitrated between his administration's warring factions—broadly speaking, pragmatic moderates and neoconservatives—that plagued his foreign policy elsewhere and put in place a policy toward China that maintained stability through most of his two terms. His warm relationship with Prime Minister Junichiro Koizumi of Japan facilitated cooperation on international issues, while the administration did important work to strengthen the U.S.-Japan alliance, developing military coordination and realigning U.S. bases in Japan. The U.S.-India relationship also moved forward with an agreement on peaceful uses of nuclear energy. On the other hand, the attempt to pursue a coherent Korea policy proved difficult. Battles between the Office of the Vice President and the State Department produced two competing policy lines, with further strains being created by a leader in Seoul who seemed less than fully committed to the alliance. Meanwhile, Southeast Asia was substantially neglected.

Thus from its earliest days the Obama team felt the next administration would be inheriting a mixed bag in the Asia department—some achievements and some deficiencies. But it also understood that governing would be different from campaigning. Though we tried to lay out some broad directions in which we planned to take Asia policy, we knew that actual decisions would need to be informed by an interagency process

providing a deeper grasp of the issues than could be acquired during a campaign.

It seemed clear, however, that whatever successes the Bush administration had achieved in the region, they were contaminated by the fallout from problems elsewhere. As our team quickly learned, the general perception in Asia in 2009 was that the United States was distracted by the war in Iraq and global war on terrorism and was economically weakened.

In her four-year tenure, Secretary of State Condoleezza Rice had missed two of the annual meetings of the Association of Southeast Asian Nations Regional Forum (ARF).<sup>1</sup> Like a number of other Asian multilateral forums, the ARF is not a place of collective decisionmaking or consequential actions, so the long trek to Asia for the event is considered a tedious task by many U.S. officials, particularly secretaries of state invariably preoccupied with urgent crises elsewhere. But Asian countries see such absences as confirmation that the United States does not give high priority to Asia: if the distance is too great to justify a visit for a conference, it must be too great for more serious commitments as well.

Asian commentators complained to our team that even when President Bush and the secretary of state attended major conferences or met with Asian leaders, they seemed to care mainly about terrorism and little about the economic issues worrying Asians. Indeed, the Bush administration attempted to change the agenda and focus of the Asia-Pacific Economic Cooperation (APEC) forum, which is explicitly dedicated to economic growth and coordination, to include substantial discussion of terrorism.<sup>2</sup>

Further problems were simmering in Southeast Asia's largest Muslim-majority countries, Indonesia and Malaysia. The global war on terrorism had profoundly damaged America's image throughout the Islamic world, bringing favorable attitudes down to the single and low double digits in Indonesian polls. Similarly disaffected, Malaysia continued to pursue anti-American "nonaligned" policies inherited from former prime minister Mahathir Mohamad. With hostility running high in such countries, it was difficult for them to align with the United States on most issues, including vital ones such as Iran, Iraq, Afghanistan, and economic problems.<sup>3</sup>

The major geostrategic challenge facing Asia, and the United States in Asia, was how to react to the dramatic rise of China in the previous decade. China's spectacular economic growth, averaging 10 percent a year, and its

thorough integration into the economies of the region through a web of trade and investment had permanently altered the geopolitical landscape. At the end of the Bush administration, China owned about \$1 trillion in U.S. government-guaranteed debt, which amounted to about a tenfold leap since 2001. The trade deficit with China was about \$250 billion annually, by far America's largest bilateral deficit. These developments had left many Americans feeling vulnerable to the apparent leverage from Chinese ownership of U.S. debt as well as angry at what they considered unfair trading practices producing the sizable deficit. Countries of the region were in addition anxious about China's military spending, which had grown at an even faster pace than its economy.

Containment in the style of U.S. policy toward the Soviet Union after World War II was not a plausible option. China was now completely integrated into the global economy and indeed had been explicitly encouraged by the United States to move in this direction since the Nixon administration. The assumption was that China could thus play a more constructive role than it would by sitting outside of that system, a theory that had been borne out in practice. Nor did China appear to harbor the global imperial aspirations of the former Soviet Union.<sup>4</sup> Nevertheless, uncertainties and anxieties shrouded China's emergence.<sup>5</sup>

It was clear to the Obama team that a unidimensional approach to China would yield unsatisfactory results. U.S. policy toward a rising China could not rely solely on military muscle, economic blandishments, and pressure and sanctions on human rights, an overall strategy that had not been notably successful in altering unwelcome Chinese actions even when China was weaker. At the same time, a policy of indulgence and accommodation of assertive Chinese conduct, or indifference to its internal evolution, could embolden bad behavior and frighten U.S. allies and partners. We would spend a good deal of effort during my time at the National Security Council fine-tuning an approach that avoided these extremes and ensured that the U.S. presence in Asia would be strengthened to allay the concerns of other countries in the face of a rising China.

Our team also concluded that more active U.S. participation in regional organizations was a necessary component of an effective Asia policy. Asia was an alphabet soup of such groups, each composed largely of top-level members of state. These included the Association of Southeast Asian Nations (ASEAN), the Asia-Pacific Economic Cooperation forum

(APEC), the East Asia Summit (EAS), the ASEAN Plus Three (ASEAN, China, Japan, and South Korea), the ASEAN Regional Forum, and the Shanghai Cooperation Organization (an organization consisting of Russia, China, and four central Asian states formerly part of the Soviet Union). In addition, there were regular trilateral meetings among high-level authorities of the most important countries, for example, China, Russia, and India or China, South Korea, and Japan.

For the most part, the Bush administration had stood aside from the development of regional organizations and meetings, in particular declining to seek participation in the newly created annual East Asia Summit. It did so for several reasons: it was somewhat skeptical about the effectiveness of multilateral institutions, believed that unfocused organizations were little more than talk shops, and felt uncertain about which organization would emerge as most important.<sup>6</sup> By contrast, our team believed that an America embedded in emerging multilateral institutions would give comfort to countries uncertain about the impact of China's rise and provide important balance and leadership, a view influenced by that of regional leaders like Australia's prime minister Kevin Rudd, Indonesia's president Susilo Bambang Yudhoyono, and Singapore's prime minister Lee Hsien Loong.

Beyond hoping to demonstrate greater emphasis on Asia than under the previous administration, Obama faced challenges inherent in some Asian suspicions about the policies of the Democratic Party and of past Democratic administrations in dealings with Asia. Especially, but not exclusively, many in Japan, have long held that Republicans care more about U.S. alliances and are more reliable supporters of forward-deployed defense. Japanese pundits frequently argue that Democrats are pro-China, whereas Republicans are pro-Japan (a notion that persists despite the undeniable fact that the greatest shock to U.S.-Japan relations since 1960 occurred during a Republican administration, when President Richard M. Nixon tilted toward China). Memories of President Jimmy Carter's rash decision in 1977, subsequently reversed, to withdraw U.S. troops from South Korea continued to nurture suspicions in that regard.<sup>7</sup>

More broadly, many throughout the dynamic countries of East Asia felt a deep concern that the Democratic Party was protectionist and would erect barriers to free trade that would negatively affect their economies. There was a credible basis for this concern. President Bill Clinton's

attempt to renew “fast-track” authority that would allow him to negotiate trade agreements without debilitating congressional amendments had attracted only forty votes within the House Democratic caucus, much to the president’s chagrin. Furthermore, the Democratic Party’s long and close ties with labor unions wary of the disruptions caused by trade have an impact on the voting behavior of congressional Democrats. Indeed, during the campaign, both candidates Obama and Hillary Clinton came out against the U.S.–South Korea Free Trade Agreement negotiated by the Bush administration, despite the palpable economic benefits the United States would garner if it went into effect. Rhetoric about the negative effect of imports from China and Chinese trade practices also featured in the campaign, primarily from the Clinton side.

Traditional Democratic policies and rhetoric on human rights touched another nerve in Asia’s democracies and autocracies alike. In their eyes, U.S. missionary zeal to promote democracy and human rights showed little regard for economic development, domestic stability, cultural sensitivities, and regional balance. Most Asian politicians and intellectuals favor the so-called Asian model of development, which led many of their countries to evolve in stages from poverty and one-party autocracies into prosperous middle-class societies with more liberal governments. For them, U.S. policy reflected a cookie-cutter approach, with its talk of universal values and attempt to treat every country the same regardless of key differences in their development. The exclusive association of this kind of human rights policy with the Democratic Party had been undercut by the Bush administration’s “freedom agenda” and neoconservative calls for spreading democracy. But the “freedom agenda” was widely viewed as pure rhetoric with no real implementation in Asia, so was easily dismissed. Asians were not so sure what to expect from President Obama, whose entire biography was a triumph of human rights, and from Secretary Clinton, whose advocacy for the rights of women, the poor, and the disadvantaged had featured so prominently in her career and notably in her appearance at the Beijing United Nations Women’s Conference in 1995.

Like candidate Obama, our foreign policy team dealing with Asia was resolutely pragmatic and nonideological. We did not have the splits of the Bush team, of course, between neoconservatives and traditional realists. But we also did not have distinct center and left camps divided along traditional fault lines such as trade, human rights and democracy promotion, or mili-

tary deployment and spending. Naturally our people placed different weights on issues, but they did not fall into camps or factions. The team's core beliefs centered on alliances with America's democratic partners, a sustained forward deployment in Asia, a relationship with China that would enable us to expand areas of cooperation and manage differences, free flows of trade and investment, and giving Asia higher overall priority in our foreign policy.

The president and his spokespersons were not focused on the balance of power or Realpolitik. As Henry Kissinger's magisterial *Diplomacy* makes clear, for the past century American leaders of both parties have echoed the democracy promotion agenda and norm-based internationalism of Woodrow Wilson.<sup>8</sup> Likewise, the Obama administration has emphasized developing and strengthening adherence to international norms. But underlying our approach was a clear understanding that our political, security, and economic policies in Asia needed to be grounded in traditional state-to-state relations and a commitment to shaping the choices of emerging powers like China through our diplomacy and deployments. That meant our policies toward the region's actors—allies like Japan, Korea, and Australia, as well as emerging players and partners like China, India, Indonesia, and Vietnam—needed to reflect these linkages and avoid developing tunnel vision. Obama therefore believed that such countries should be given a larger role in economic institutions like the Group of 20 (G-20), which included Japan, Korea, Australia, China, India, and Indonesia, and he was predisposed to consider joining multilateral institutions that would recognize the important role of these countries.

This landscape led the Obama foreign policy team to several fundamental strategic judgments about the Asia-Pacific region, the actors in it, and American interests there. We treated these judgments not as a catechism in our daily decisionmaking, but more as an essential framework for our decisions and actions. Some strategic principles were relatively clear to the foreign policy team at the outset. Others would become more evident as events requiring responses unfolded. Their key elements can be summarized as follows:

—The Asia-Pacific region deserved higher priority in American foreign policy. With wealth, power, and influence gradually shifting from

Europe toward Asia in the past several decades, the region has emerged as the world's center of gravity for economic, political, and security decisions in the twenty-first century.

—The major strategic development in the region and arguably the whole world is the emergence of China as a major power that by most measures appears poised to become the second most influential country on the globe within a generation.

—America's relationship with China could be shaped to maximize the chances that China's rise will become a stabilizing and constructive force rather than a threat to peace and equilibrium.

—A sound China strategy should rest on three pillars: (1) a welcoming approach to China's emergence, influence, and legitimate expanded role; (2) a resolve to see that its rise is consistent with international norms and law; and (3) an endeavor to shape the Asia-Pacific environment to ensure that China's rise is stabilizing rather than disruptive.

—America's key alliances with Japan, South Korea, and Australia are critical to maintaining a framework of peace and stability in the region, as is developing effective political and security partnerships with other emerging and important actors, including Indonesia, India, and Vietnam.

—A U.S. foreign policy based on a weak domestic economy will ultimately be a failure. Rebuilding leadership abroad depends on rebuilding economic strength at home.

—North Korea's emergence as a nuclear weapons state with ballistic missile capability is a threat to U.S. security. Past attempts to persuade North Korea to roll back its programs have failed or had limited success. We needed a policy that would force North Korea to reassess the value of its program and thereby maximize the chance of its pursuing denuclearization seriously. This required breaking the cycle of North Korean provocation, extortion, and accommodation (by China, Japan, Russia, South Korea, and the United States), and reward.

—A sustained and strong U.S. presence—economic, political, and security—is welcomed by most of the states of the region. They see the United States as a source of innovation, trade and investment, ideas, and educational opportunity; as the protector and provider of global public goods such as freedom of the seas and an open trade and investment system; as protector of the weak and defenseless against aggression; and as

the necessary partner in responding to disasters. In their eyes, America is an essential stabilizing force as rising powers, principally China but also India, gain in influence.

—The United States must both participate and lead in the most important multilateral organizations in the region, including new ones with potential political and security roles. A stronger U.S. relationship with Southeast Asia, and ASEAN, is both an end in itself and an underpinning of a broader Asian equilibrium.

—The advancement of human rights requires a multipronged approach that treats different situations differently. In some instances, this will call for greater engagement with foreign governments, civil society, and their military. Public clarity about abuses and shortcomings will be essential in all cases. Principles and values pertaining to human rights and democracy should be articulated so as to persuade, not to score points. The U.S. government should be clear, but respectful, and speak in a language and to issues that matter in the lives of the people of Asia.