East Asia: searching for consistency

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INTRODUCTION

Asia, and in particular Northeast Asia, is critically important to the United States. This observation has been a truism in post-1945 international relations, but now, perhaps more than ever, the region looms large for decision-makers in Washington. A variety of factors explain why. Economically, the Asia-Pacific generates some 30 per cent of global exports and provides two-thirds of the world’s foreign exchange reserves; and its annual bilateral trade with the United States is of the order of $1 trillion.1

From a security perspective, China’s continuing military expansion, with some 14 per cent per annum growth in its annual defence budget, coupled with recent decisions to acquire two conventional and two nuclear-powered aircraft carriers, suggests that Beijing is steadily acquiring a power-projection capacity that will eventually challenge the maritime supremacy long enjoyed by the United States and its East Asian allies.

Persistent regional tensions, whether over China’s desire to reassert its sovereignty over Taiwan or the provocative development by the Democratic People’s Republic of Korea (DPRK) of its ballistic missile capabilities and its fledgling nuclear weapons programme, threaten to destabilize relations by fuelling an arms race among major and middle-ranking regional powers.

Apparently intractable territorial disputes, whether over the Northern Territories (the disputed islands to the north of Hokkaido, claimed by Japan but occupied by Russia), the Senkakus or Dajoutai Islands, the Spratly Islands, or the Takeshima/Tokto dispute dividing Japan and South Korea, remain powerful irritants limiting regional cooperation. Allied to this are new, non-traditional security challenges, including the rising threat of piracy, natural disasters, pandemic diseases and the long-term danger of climate change, as well as more fundamental risks associated with the rise of beggar-thy-neighbour trade policies exacerbated by the current global economic crisis.

Given the substantive importance of these issues to the United States, it is surprising that it has not formulated a clear and coordinated set of responses. Since 1990, US governments have issued no fewer that four East Asian Strategy
Reports setting out the country’s priorities in the region and specifying the necessary policy tools for meeting these priorities. However, the last such report was issued in 1998 and during the George W. Bush administration there was little evidence of any integrated American thinking on the region. Indeed, to its critics the Bush White House approach to Asia was too sharply focused through the lens of 9/11 and the ‘Global War on Terror’. As a consequence, vital US alliances, according to this interpretation, were neglected, or, in the case of the US–Japan relationship, weakened, potentially seriously. In addition, key sub-regions, such as Southeast Asia, were overlooked or apparently taken for granted. Adversaries, most notably North Korea, were handled inconsistently and in a manner that heightened tensions and undermined anti-proliferation measures, weakening the credibility of America’s extended nuclear deterrence. Additionally, Washington’s approach was coloured by an ideological agenda, rooted in the promotion of democratic values, which clashed with the pragmatism of many of the region’s governments and had delivered few, if any, tangible political results.

As a general assessment of US policy towards East Asia between 2000 and 2008, much of this critique is well grounded. However, in certain key particulars the argument may have been overstated. For example, Sino-American relations were generally positive under President Bush and have continued to evolve in a pragmatic and constructive direction. North Korea policy, while inconsistent and erratic between 2000 and 2006, began to take on a much more pragmatic character in the last two years of the Bush administration and seemed close to delivering a managed, albeit incomplete, solution to the nuclear issue in August of 2008. Alliance relations with both Seoul and Tokyo were largely constructive and mutually advantageous, and President Bush enjoyed positive relations with a succession of Korean and Japanese leaders. Popular and elite-level criticisms of US policy in Iraq were arguably more muted in Asia than in Europe and, while the abuses at Abu Ghraib and Guantánamo Bay proved damaging morally to the United States, they did not appear to have generated a comprehensive backlash against neo-liberal notions of democracy, human rights and the rule of law with which the United States has recently been associated. Importantly, the United States was able to secure some significant policy successes in key areas – for example, in putting together an ad hoc coalition to manage the humanitarian disaster associated with the Southeast Asian tsunami in 2004, and more generally in avoiding any immediate, obviously destabilizing security or political crises in the region.

Notwithstanding these important qualifications, for the Barack Obama administration sustaining existing relationships and avoiding crises is arguably not a sufficient basis for developing policy towards East Asia. Above all, this is because the region is subject to so much change and uncertainty – a leitmotif that helps to explain the worries of local elites and their desire to see the United States continue to play a leading role within the region. Specifically, Asia’s leaders worry about a number of factors including:
the shifting power relationship between China and the United States, not only regionally but also globally;

• the risk that existing security challenges, most notably that over North Korea, as well as territorial disputes and nationalism-fuelled inter-state rivalry, will produce greater regional instability; and

• the ability of the United States to manage and refocus its existing alliance partnerships to tackle a broader range of security and economic challenges, both traditional and non-traditional.4

High on the list of concerns for regional elites is the question of generational and leadership changes in some of the key states in the region. In North Korea, the recent illness of Kim Jong-il has led to much speculation regarding a possible leadership transition and the potentially destabilizing consequences of the transfer of power to Kim’s likely successor, his son Kim Jong Un – at 27, a relatively unknown, inexperienced and untested figure. In Japan, the ending of some 54 years of virtually unbroken rule by the Liberal Democratic Party (LDP), and the inauguration of a new Democratic Party of Japan (DPJ) administration pledged to developing a more Asia-centric diplomacy and a policy of greater independence from the United States under the leadership of Hatoyama Yukio, have led some to point to a fraying of ties between Washington and Tokyo.

In China, as Kerry Brown’s chapter notes, although leadership change is not imminent, any future generational transfer of power will involve a degree of uncertainty, now that communism has been eclipsed by nationalism as a basis for regime legitimacy. More broadly within the region, especially in Southeast Asia and notably in Thailand and the Philippines, there are concerns about the stability of local governments in the face of either separatist movements or sharp internal political conflicts. There are also signs of an effort by some states, such as Australia and Japan, to take the lead in devising competing policy blueprints to address this growing regional uncertainty – in the case of Australia, an Asian Pacific Community;5 in the case of Japan, an East Asian Community. All these developments explain why there is added urgency within the Obama administration to be seen to be reasserting US involvement in Asian affairs and to devise a more strategic approach to the region.

The following analysis provides an overview of what the Obama administration has achieved during its first year in office in developing its policy towards the region, as well as the response of Asian states to America’s effort. It not only assesses progress to date, but also considers what more concrete policy initiatives the administration might usefully wish to consider in the near to long term. For now, the record of achievement, while relatively modest, is nonetheless positive. President Obama’s rhetoric and his inclusive approach have helped him build up a deep reservoir of popular and elite positive opinion in the region. Coupled with the high-profile visit by Secretary of State Hillary Clinton to Japan, South Korea, China and Indonesia in early February and the President’s own visit to the region in November 2009, this has inspired confidence and allowed
Washington to project a positive image of calm reassurance, while minimizing, for now, disruptive tensions with potential adversaries.

Such progress represents at best a first step. Much more will need to be done in the immediate future if the United States is to continue to play a major role in the region and to advance its national interests in a manner that converges with and reinforces the interests of its core alliance partners. It will require considerable policy ingenuity and innovation, and some carefully calibrated changes in the way the United States does business and defines itself as an active participant in Northeast Asia. The resource implications of maintaining America’s regional role are not inconsequential. With a forecast government deficit well in excess of $1 trillion for 2009, the United States finds itself increasingly stretched financially as it seeks to sustain already expensive global commitments. Consequently, the Obama administration will need to reach out to a widening network of allies and friends, both old and new, to ensure that the burden of policy innovation is broadly and equitably shared.

**Assessing Obama’s Asia Policy**

It is arguably premature to say precisely how the Obama administration views the region. The White House has yet to release a formal official policy statement outlining its overall position. Nonetheless, there are enough early indicators, most notably Secretary of State Clinton’s Asia trip and President Obama’s own meetings with a number of his Asian counterparts and most notably his November visit to the region, that suggest that East Asia will rank high among the administration’s foreign policy priorities and will be handled shrewdly and with considerable tact and ingenuity. Critically important will be how successfully the White House coordinates any new initiatives so as to allow a harmonized and coherent approach to the region.

**Hillary Clinton’s Asian tour de force**

The new Secretary of State’s decision to make her first overseas trip to Asia, visiting in rapid succession Japan, Indonesia, South Korea and China, unambiguously highlighted the administration’s desire both symbolically and substantively to underline its commitment to the region. Prior to her departure, Clinton was careful, through a speech at the Asia Society in New York, to acknowledge the general perception that the United States had been giving insufficient attention to the region. The new administration, she spelled out, was committed to taking Asia seriously and planned to strengthen its collaboration with its allies in preventing nuclear proliferation and in meeting a broad range of challenges. Importantly, her trip would be an opportunity to learn, rather than to lecture, and as part of this, she wisely stressed the importance of meeting a broad section of Asian society – not merely traditional national elites but ordinary Asian citizens. Stressing the importance of allied cooperation reflected continuities with the Bush administration, but the focus on dialogue and listening...
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appeared to signal a change of both tone and substance on the part of the new administration.

In Japan, Clinton was careful to reiterate the country’s primacy as the ‘cornerstone’ of America’s alliance partnerships. She also bolstered alliance ties by signing a bilateral agreement reconfirming the relocation to Guam of US marines based in Okinawa, as agreed in the 2006 US–Japan Roadmap for Realignmment. Clinton also sought to limit some of the negative political fallout associated with the Bush administration’s decision from August 2008 to revoke the designation of North Korea as a state sponsor of terror – a decision that, by suggesting that Washington was insufficiently committed to resolving the fate of Japanese citizens abducted by North Korea in the 1970s and 1980s, had seriously antagonized elite and public opinion in Japan.8

Where relations with Korea were concerned, Clinton’s visit to Seoul had been foreshadowed by an early February meeting in Washington between the Republic of Korea’s National Security Adviser Kim Seung-hwan and his US counterpart Jim Jones, in which the Obama administration had carefully stressed its commitment to the Six Party Talks as well as alliance coordination with the South Koreans in dealing with North Korea. The same tone was reflected in Clinton’s meetings with President Lee Myung-bak and then Prime Minister Han Seung-soo, and the Secretary of State was careful to acknowledge Seoul’s important contribution in providing support in both Iraq and Afghanistan.9

In China, Clinton won plaudits from local commentators for stressing the importance of a ‘positive’ bilateral relationship, including her willingness to broach new and atypical elements in it, and for her repeated thanking of the Chinese leadership for their continuing purchase of US treasury bills. Choosing, for example, to include in her delegation an adviser on climate change appeared to signal a break from past negotiations when military issues have often been uppermost in discussion. By contrast, Clinton’s approach to human rights and the sensitive issue of Tibet was muted and understated, exposing her to some criticism from the international human rights community but at the same time reassuring her hosts.10

In Indonesia, Clinton broke with precedent by visiting the headquarters of ASEAN (the Association of Southeast Asian Nations) – the first time that a US secretary of state has done so. She also helped to correct some of the impression of neglect associated with the previous administration when she pledged to attend the July 2009 meeting of the ASEAN Regional Forum. Condoleezza Rice, Clinton’s predecessor, had failed to attend this important regional security forum twice in the previous four years, leaving Indonesians – rightly or wrongly – with the impression that America’s interest in their country and the wider Southeast Asian region was shallow and insubstantial.11 Appearing on national television and meeting with ordinary Indonesians was also a shrewd way for Clinton to convey an image of accessibility and engagement, and allowed her to capitalize on the huge popularity enjoyed by President Obama among young Indonesians. Obama had spent formative years between the ages of six and ten attending local school in Jakarta and his personal connection with the region
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has been an important source of unexpected and historically all too rare political goodwill for the new administration with the world’s most populous Muslim nation.

President Obama’s meetings with Asian leaders

Clinton’s tour of the region helped to win local hearts and minds by stressing the application of America’s ‘smart’ power and the importance of acknowledging the contributions of America’s regional partners. This is a message that President Obama reinforced in his own meetings with senior Asian leaders. On 24 February, then Prime Minister Taro Aso of Japan was the first foreign leader to have a formal face-to-face meeting with the new President, who took pains to thank the Japanese leader for his government’s contributions in Afghanistan while avoiding any impression of pressuring Tokyo to provide additional military assistance. A similar message was conveyed to the Australian premier, Kevin Rudd, in a meeting in Washington on 24 March. President Obama very publicly and effusively thanked him for Australia’s past efforts in Afghanistan, and both leaders emphasized their ‘excellent meeting’ and the importance of the bilateral relationship.

Formal communiqué language such as this may seem relatively insignificant but it helps to set the tone for a positive relationship. A similar approach was taken by President Obama at the G20 London summit in early April 2009. His meeting with Chinese President Hu Jintao was important in allowing both countries to stress their commitment to ‘strengthen ties at all levels’ including economic issues and combating global terrorism, and Obama was quick to accept ‘with pleasure’ Hu’s invitation to visit China later in the year.

Also at the G20 summit, President Obama had the opportunity to meet with South Korea’s President Lee. Significantly, the official communiqué from this meeting talked of both sides’ desire to make progress in realizing the Korea–US Free Trade Agreement (KORUS FTA), while avoiding ‘protectionism and economic nationalism’, a position that Obama reiterated in his visit to Seoul in November. Given Asian fears during the US presidential election contest that Obama was tilting in a protectionist direction, this message – albeit relatively modest in terms of what it offers – has provided some reassurance that both countries were committed to managing, and defusing the tensions associated with past KORUS negotiations and reaching a final agreement at some point in 2010. However, the mid-term US Congressional elections in the autumn of 2010 may also throw up a number of complicating political issues; some Representatives are likely to push for greater access to the South Korean market for US auto companies – a concern that might well derail efforts to settle the KORUS FTA. In a separate context in his dealings with China, President Obama has already been willing to give a nod in a protectionist direction, endorsing punitive trade restrictions on Chinese tyre imports to the United States, and there is a risk that he might feel compelled to embrace similar measures vis-à-vis the Republic of Korea.
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The clearest test and expression of President Obama’s commitment to Asia was his high-profile eight-day tour of the region in late November when he visited Japan, Singapore, China and Korea. This was not only a chance to meet with key US allies and the region’s most important rising power, but also an unusual opportunity to participate in a full ASEAN summit meeting – a powerful and unmistakable indication that the United States is committed to re-engaging in Southeast Asia. His Singapore visit also included a meeting of APEC (Asia-Pacific Economic Cooperation) – an opportunity to engage with an organization that has perhaps the broadest and most diverse memberships of any of Asia’s many multilateral bodies. Overall, the focus of the President’s Asia visit was on re-emphasizing America’s commitment to the region and demonstrating the centrality of Asian issues to the United States. Although the White House appeared to have been relatively unconcerned to secure concrete policy outcomes or ‘deliverables’ during the trip, it did succeed in reassuring Asia’s elites that the United States remains firmly engaged in the region, with President Obama noting memorably during his visit to Tokyo that he is America’s ‘first Pacific president’.

CRITICAL ASIAN POLICY CHALLENGES FOR THE OBAMA ADMINISTRATION

Summit meetings and overseas visits offer useful background reassurance to America’s allies and its key regional interlocutors and there is little doubt that the Obama administration has, to date, appeared sure-footed and confident in the way it has managed its diplomatic presentations. Yet the impact of this new approach remains unclear, and it is likely to be tested by major regional policy challenges. Some of these are relatively easy to identify, whereas others may emerge unexpectedly and with little warning. The following section sets to one side America’s bilateral relations with China and its immediate neighbourhood, including Taiwan and North Korea, which are covered in Chapter 8. Rather, it focuses on the potential future US role in promoting security and stability in East Asia more generally, through its other key bilateral regional relationship – with Japan – and through its support for the broadening and deepening process of regional integration.

Sustaining the US–Japan Alliance

The DPJ’s success in replacing the LDP as Japan’s new government in August 2009 – the first time that a non-conservative party has been able to form an independent administration in Japan since 1955 – has prompted speculation that the US–Japan Alliance may be under threat. During the general election, the DPJ stressed the need for a more Asia-centric foreign policy and greater equality in Japan’s relations with the United States. However, it would be wrong to view this rhetorical recalibration as a sign of incipient anti-Americanism or a desire on the part of the new government to redefine its relationship with the United
States in a radical way. The DPJ’s new, assertive language was partly driven by electoral calculations and a wish to distinguish itself from the outgoing administration. It also reflects a desire for greater transparency and debate within the bilateral relationship – a point underlined by the new government’s commitment to declassifying important archival material relating to post-war US–Japan relations.

Important practical issues are complicating the management of current ties – most notably surrounding long-standing plans to relocate US marine corps facilities at Futenma in Okinawa; the decision by the new government to end Maritime Self-Defense Force deployments to the Indian Ocean as part of Operation Enduring Freedom; and the wider question of burden-sharing and Japanese Host Nation Support for US forces in Japan. However, these are, in effect, managerial issues rather than fundamental disagreements. Public and elite opinion in Japan towards the United States remains very positive.18 Prime Minister Hatoyama received his graduate training at Stanford University, and Okada Katsuya, the new foreign minister, is well connected in policy and political circles in Washington.19

A change in tone in characterizing the bilateral relationship may also extend into a re-examination of the precise way in which Japan chooses to support US security initiatives both regionally and globally. This is partly a consequence of Japan’s domestic economic difficulties, which limit its ability to engage actively overseas; it also reflects a philosophical difference of emphasis from the outgoing LDP administration. Active employment of Japan’s military assets in support of US security efforts in East Asia and further afield – a trend that had become more pronounced since the mid-1990s – is likely to be qualified by greater reliance on Japan’s financial resources to support non-traditional security measures, for example through the provision of targeted developmental assistance such as the recently announced $5 billion aid package to Afghanistan. Moreover, when Japan does choose to deploy its military assets directly it may be more inclined to do so in an explicitly international context rather than via the traditional framework of the US–Japan Alliance – for example, by dispatching Maritime Self-Defence Force ships to assist in anti-piracy actions off Somalia (a measure for which the DPJ has already expressed its support). All of this adds up to a difference of emphasis rather than a domestic retreat, a dilution of support for the broader alliance with the United States or a questioning of US global security initiatives. Indeed, Prime Minister Hatoyama was quick to express his support for President Obama’s expanded deployment of troops to Afghanistan in early December. Consequently, the critical claim in some quarters that the US–Japan relationship is ‘structurally strong, but functionally weak’ seems overstated.20 The alliance will almost certainly experience some important practical changes in the immediate future and will therefore require careful management and negotiation by policy-makers on both sides of the Pacific, but it would be a mistake to assume that this is a partnership that is either in doubt or experiencing severe strain.
Enhancing regional and global economic coordination

With East Asian economic growth projected to slow sharply in 2009 – falling from a forecast rate of 4.4 per cent in November 2008 to an estimated 2.7 per cent in February 2009 – the Obama administration assumed office with a strategic approach to the region that needed to be couched in broad, inclusive terms looking beyond narrowly defined military issues and taking economic concerns into account.

America’s reputation as a leader on international economic policy has been dented in East Asia as a result of the global financial crisis, but, as a recent report by the Chicago Council on Global Affairs has made clear, the ‘Washington Consensus’ model of modern capitalism remains largely secure and there is no alternative Asia-centric developmental strategy emerging to challenge it. Nevertheless, the differential impact on individual countries of the economic slowdown in the region is adding to uncertainty, particularly regarding the continuing ability of individual countries to contribute to local and global economic prosperity.

With Japan anticipated to see its GDP shrink by 6 per cent in 2009 on the back of a sharp fall in its exports, past certainties of continuing regional growth are in doubt and the regional balance of economic power appears to be shifting in critical ways that require a new strategic approach to regional economic policy-making by Washington.

Although China has continued to enjoy healthy economic growth rates, with 2009 growth anticipated to have been 8.4 per cent, any subsequent slowing of growth would risk producing potentially destabilizing internal tensions as unemployment rises, causing an even wider divergence between the material conditions of Chinese urban and rural workers. The risk that rising populism, whether in China or in other East Asian states, might spill over into more assertive economic nationalism and calls for economic protectionism is not insignificant. Linked to this are worries, expressed by US Treasury Secretary Timothy Geithner in past Senate testimony, that China may be manipulating its currency as a means of encouraging greater export growth and offsetting some of its current economic difficulties.

Given America’s exclusion from the East Asian Summit (EAS) and the slow, consensus-based decision-making character of many of the region’s key economic institutions – including both ASEAN and APEC – the Obama administration will need a coordinated policy to sustain a central role in regional economic policy-making. It will also need to find a mechanism to encourage leading Asian economic powers (most notably China, Japan and South Korea) to play an active role in regional and global coordinated economic policy-making, in close partnership with the United States – particularly in promoting economic stimulus measures to deal with the shortfall in global demand.

Some measures are already being taken. China, for example, enacted early in 2009 a $586 billion stimulus package, boosting growth at home and among its neighbours. Similarly, Japan has passed two substantive stimulus packages
totalling some $320 billion and, in November 2008, Prime Minister Aso pledged a bridging loan of $100 billion to the IMF. There is a risk, however, that such initiatives will be overlooked or insufficiently acknowledged by the United States. It was conspicuous, for example, that Treasury Secretary Geithner failed publicly to acknowledge Japan’s efforts earlier in 2009. It would not be surprising if resentment deepened in some Asian quarters about the United States dictating terms, or at the very least lecturing Asia rather than working genuinely in partnership to promote a coordinated response to the current economic crisis. Asian economies have, in fact, demonstrated a willingness to take their own regional initiatives in addressing the current economic crisis. Most strikingly, in February 2009 the finance ministers of China, Japan and South Korea agreed to expand the Chiang Mai initiative (ASEAN’s multilateral currency swap arrangement) from $80 billion to $120 billion in order to help with regional liquidity problems.

At the same time, any economic slowdown raises fears about a possible rise in beggar-thy-neighbour trade protectionism. But for now the risk of this does not seem particularly high, in part thanks to the reassurance that the Obama administration has recently provided that it supports key trade-enhancing initiatives in the region. President Obama announced during his visit to the region in November that the United States is willing to re-engage with the Trans-Pacific Partnership trade negotiations. The talks are important because of their broad, inclusive role involving a diverse collection of states including Australia, Brunei, Chile, New Zealand, Peru, Singapore and Vietnam. As such, they provide another opportunity for the United States to underscore its continuing centrality to effective economic initiatives in the region. What is less clear is what impact such a broad initiative might have on existing efforts to secure bilateral free trade agreements, for example between the United States and Thailand or Malaysia, as well the anticipated reaction of the US Congress, which may prove nervous about participating in a new region-wide grouping that includes states such as Vietnam.

**Fostering both a regional and an extra-regional approach to climate change**

In discussing the Obama administration’s strategic choices in Asia, it is important not to be too conditioned by past initiatives. New policy challenges such as the threat of climate change and global warming do not neatly fit into the geographic boundaries of Northeast Asia that have shaped policy in the past, particularly given the prominence of both India and China as two of the world’s leading emitters of greenhouse gases. In the light of President Obama’s commitment to tackling environmental challenges, his administration will need to work closely with some of its regional partners – most notably Japan, given its impressive technical skills in this area – in devising responses to environmental challenges both within and outside the region.

In the run-up to the December 2009 Copenhagen summit, there were signs of encouraging developments, at least in the willingness of individual states to
make a commitment to challenge the problem of global climate change. Japan’s Prime Minister Hatoyama, for example, indicated that Japan was willing in principle to endorse a radical cut in its carbon emission levels by some 25 per cent relative to 1990 levels, subject to other countries embracing comparable targets. China talked of a 40–45 per cent cut in the energy intensity of its economy by 2020, and the Obama administration embraced quantifiable targets, talking explicitly of a 17 per cent cut on its 2005 output levels. While Copenhagen failed to deliver a legally binding international agreement to replace the Kyoto Protocol, scheduled to expire in 2012, the meeting did establish a global accord to reduce greenhouse gas emissions in a manner intended to prevent a rise in global temperatures in excess of 2°C above nineteenth-century levels. While critics see this as an agreement without teeth, the accord not only introduces important mandatory reporting requirements for individual countries but also provides valuable financial assistance (to the tune of some $100 billion per year by 2020) to ensure that developing nations can meet more ambitious emission targets. Much more detailed agreement will be required to realize these targets, but the willingness of both America and a number of prominent states in Asia to agree in principle on the desirability of realizing substantial emission cuts provides at least the foundation for substantive progress in the future.

Promoting democratization, human rights and the rule of law

Rightly or wrongly, the perception in many Asian countries of the United States as the world’s pre-eminent ‘soft power’ has suffered because of the Bush administration’s sanction of torture as part of the Global War on Terror and the related perceptions of inconsistency and hypocrisy in the application of American values to authoritarian and non-authoritarian states. Some states, such as Japan, responded positively to the ‘values-based initiatives’ of the Bush administration by talking, for example, of the merits of promoting an ‘arc of freedom and prosperity’ in the region; but others, such as Australia, were far more cautious, fearing that placing democratization at the heart of alliance strategy risked alienating China by creating the impression that the West was seeking to devise a new anti-Chinese political containment strategy.

For the Obama administration to adopt a more pragmatic approach to promoting democratic values internationally has much to recommend it in terms of addressing underlying concerns among many in Asia about past US high-handedness, but it also exposes the new President to charges of weakness and inconsistency from his critics at home and more widely in the West. He was accused, for example, of pandering to China for not meeting with the Dalai Lama ahead of his November visit to Beijing and for failing to insist on addressing the Chinese public directly on television during his November visit. Nonetheless, a close look at his public statements during his visit to the region suggests that President Obama did not dilute the message about US values and human rights, but rather presented it in a way that was less overtly antagonistic to some of his Asian hosts.
For example, in meetings both with senior Chinese officials and with students, the President was careful to stress the universal nature of fundamental human rights and his belief that such rights should be available to all. A similarly pragmatic approach was evident in the President’s summit with the leaders of the ASEAN ten in Singapore, at which he signalled a shift towards a policy of pragmatic engagement with Myanmar by meeting with Prime Minister Thein Sein – a sharp departure from the Bush administration’s uncompromising position of sanctions and rhetorical condemnation, including pushing for regime change and labelling Myanmar ‘an outpost of tyranny’.31

As a result, ASEAN leaders (with their stress on non-intervention and respect for national sovereignty) and the Obama administration have established more common ground in dealing with Myanmar, albeit still with important differences of emphasis. ASEAN has been willing to stress the need for ‘free, fair, inclusive and transparent’ elections in 2010, but has been reluctant to speak publicly on the fate of the prominent Myanmar opposition leader Aung Sang Suu Kyi. By contrast, President Obama has been much more forceful in calling directly for her release from house arrest, while presenting his argument in a context that acknowledges the need for dialogue and discussion even with regimes that fall substantially short of international human rights norms.

More generally, the Obama administration has demonstrated an astute regard for the importance of diplomatic protocol and expressions of respect when interacting with Asian states (for example, the President bowed in his meeting with the Japanese Emperor). Such small but nonetheless important symbolic gestures may rankle with certain sectors of the American media, but they arguably help to mitigate the earlier image of moral certitude and national superiority that at times limited the Bush administration’s appeal within the region.

The Obama administration will want to retain the issue of values and democracy promotion as part of its strategic agenda in the region, both to satisfy its own political constituencies at home and to promote constructive change in East Asia, but it will need to do so carefully and in a manner that harmonizes with its other strategic priorities and the interests of its regional partners, both old and new.

Nevertheless, in trying to calibrate the US position between respect for the sovereign prerogatives of authoritarian governments and encouragement for their opening up to more representative forms of political governance, the Obama administration could find itself on the back foot with respect to two of the region’s more long-standing democracies. Separatist instability in Thailand and the Philippines is an increasing source of concern. Pro- and anti-government militancy within Thailand has convulsed the Thai political system over the course of the last year, and the operations against Muslim separatist militants in the south of the country have exacerbated the political situation. In the Philippines, the activities of the Moro Islamic Liberation Front (MILF) have precipitated a major humanitarian crisis in Mindanao.
Policy Options for Advancing US Strategic Objectives

East Asia contains in its expansive geographic spread a range of complex challenges for the Obama administration. Each will require careful consideration over the coming years and a combination of policy focus and flexibility if the United States is to retain its past levels of political influence. Nevertheless, if there is one area where the Obama administration could invest significant effort with prospects for long-term benefit, it would be in helping promote deeper integration among the region’s diverse countries and peoples, particularly in the security sphere, where a range of regional collective initiatives could address non-traditional security concerns including maritime security, drug- and human-trafficking, piracy and environmental issues.

In trying to enhance regional cooperation, it might, at first glance, be tempting to seek to launch new organizations or formal arrangements. However, Asia already has a plethora of institutions with multiple, often overlapping and sometimes conflicting roles. The alphabet soup of acronyms is bewildering: APEC, ASEAN, ARF (the ASEAN Regional Forum), ARF plus 3, SAARC (the South Asian Association for Regional Cooperation), the EAS, the Shanghai Cooperation Organization (SCO) and the Six Party Talks (SPT) process on North Korea.

Rather than seeking to supplement these bodies, it would be preferable for the United States to focus first on function rather than form. Historically Southeast Asian nations have been fiercely protective of the concept of sovereignty and hostile to any treaty commitment or form of intervention that might weaken this norm and require them to act collectively in support of general goals. Southeast Asian states have been reluctant, therefore, to support previous US calls for more explicit collective security undertakings. Combating piracy in Southeast Asia, for example, is something that many of the regional players have chosen to view as a local policing initiative rather than as a more ambitious collective undertaking.

Assembling ad hoc groups of states to deal with specific tasks that fall outside existing multilateral regional frameworks is the easiest option, as with the response to the 2004 tsunami, for example. In this regard, the US track record of assembling and mobilizing local coalitions provides a potentially useful starting point for similar initiatives. This approach has the disadvantage, however, of requiring new coalitions to be formed on each occasion, with the risk that experiences cannot be shared and built upon and that responses will be sub-optimal.

As a means of taking a somewhat more systematic approach to encouraging regional security cooperation, the Obama administration could start by building on the successes of the Bush administration in promoting closer trilateral and quadrilateral cooperation between the United States and Japan, Australia and India, dating from the key agreements of 2007 and 2008 and on existing proto-regional security structures such as the SPT. In this context, the Obama admini-
istration could consider reactivating earlier mid-level security dialogues such as the Trilateral Coordination and Oversight Group (TCOG) between Japan, South Korea and the United States. It could build on the apparent success of more global innovations such as the Proliferation Security Initiative (PSI) – which has played a direct role in trying to limit the opportunities for North Korea to proliferate – in order to link regional players in East Asia with other key players. Other fruitful areas for regional security cooperation might include joint peacekeeping activities involving China, Japan, South Korea and the United States. The United States might also look favourably upon new ‘minilateral’ regional initiatives in which it is not formally involved, such as the December 2008 Fukuoka agreement by the leaders of China, Japan and South Korea to enhance trilateral security and economic cooperation, as well as the follow-up Sino-Japan-Korea trilateral meeting in Beijing in October 2009.

Increasing US support for greater regional integration should not and need not come at the expense of the United States maintaining and strengthening its existing bilateral alliances and also a significant US forward-deployed military presence in East Asia. In this context, security relations with both Japan and the Republic of Korea will need to remain central to US regional strategy, despite the fact that domestic politics in both countries is shifting quite fundamentally in ways that are likely to diminish US influence over their strategic policy decisions.

Despite the underlying strength of the US–Japanese relationship, governmental relations are likely to be difficult over the coming years, given the uncertainty surrounding the outcome of the next Japanese upper house elections, scheduled to take place in July 2010. The Obama administration must also prepare for the handover of joint military command authority to the Republic of Korea in 2012. However, President Lee’s activist international agenda offers opportunities for the two countries to cooperate, whether through his new ‘Asia Initiative’ launched in March 2009 or the existing US–ROK Strategic Cooperation for Alliance Partnership Talks. Bilateral cooperation could also be extended to embrace a wide range of human security initiatives, including the coordinated provision of developmental assistance and support for regional peacekeeping, as well as common environmental goals – an area where the Lee administration’s new ‘green’ agenda offers fruitful scope for cooperation. The Obama administration should work to complete the KORUS FTA and, if it is successful, consider opening similar negotiations with Japan to promote a Japan–US FTA.

A third area of focus for the Obama administration should be the establishment of a more consistently visible presence for US officials in Asian organizations, particularly those in Southeast Asia. By emphasizing the continuing relevance of ASEAN in his November visit to Singapore and by inviting ASEAN’s leaders to Washington for a second summit in 2010, President Obama has earned a considerable amount of political goodwill that should stand his administration in good stead in the future. This means that senior US officials should now reinforce the administration’s publicly expressed commit-
ment to attend and participate regularly in ASEAN meetings. Having signed the ASEAN Treaty of Amity and Cooperation (TAC), the administration has removed a major obstacle to US participation in EAS meetings too, but it will still be important to continue to look for other concrete opportunities to sustain its presence in the region.

For now, the United States retains a dominant position regionally in terms of its ‘soft power’. American educational institutions, especially at the graduate level, continue to attract record numbers of Asian students; American popular culture, film and music continue to have wide appeal globally and within East Asia. However, Asian states are not being laggards in their own efforts to promote their respective cultures – Korean and Chinese cinema and television are attracting growing audiences both regionally and globally, China is investing heavily in its new Confucius Institutes as a means of promoting Chinese culture internationally, and there are indicators that more students within the region, for example from South Korea, are beginning to view China as an attractive destination for tertiary education.37

In this context, US leaders should keep in mind that soft power is not an inexhaustible or permanent asset. Careful cultivation and application of its diplomatic, educational and communications resources can help to sustain America’s reputation in the region while also helping indirectly to advance specific policy goals. Wider American educational initiatives – particularly those that involve engagement with states with which the US does not currently have formal diplomatic relations (for example the DPRK) – expanded congressional/parliamentary exchanges, technical training programmes on public administration and legal governance, both in the United States and in the region, as well as US support for historical reconciliation projects, can all help to alleviate regional tensions while reinforcing US influence in the region.

CONCLUSION

Despite the magnitude of the domestic and international challenges facing the Obama administration, during the past year its emphasis in East Asia on listening and dialogue, coupled with signs of a pragmatic desire to work collectively to address some of the region’s and the world’s most important challenges, suggests that there is reason to be optimistic about the prospects for a successful and long-term renewal of American influence in this most critical region. Nowhere else in the world will the rise of two of the twenty-first century’s new world powers – China and India – be more directly felt. Regular, consistent and direct engagement by Obama administration officials combined with diplomatic flexibility will be needed if the United States is to leverage the goodwill generated in 2009 into meaningful influence for the next three to seven years. While careful attention to America’s closest allies in the region will remain important, the Obama administration needs to engage directly in the process of creating a more transparent and predictable institutional security architecture for East Asia, without which the changing balance of economic, political and
military power, as well as competition for natural resources, may increase levels of insecurity in the long term.

NOTES
2 Ibid., pp. 12–13.
8 Ibid., p. 16.
9 Ibid., p. 37.
10 Ibid., pp. 4 and 26.
11 Ibid., p. 54.
12 Ibid., pp. 17 and 21.
13 Ibid., p. 6.
14 Ibid., p. 32.
18 A joint Yomiuri Shinbun-Gallup poll of November 2009 revealed that 48% of Japanese characterize the US-Japan relationship as ‘good’, almost double the number who view it as ‘bad’ (some 26%). ‘Only 17% say Hatoyama will improve ties with U.S.’, *The Daily Yomiuri*, 12 December 2009, p. 3.
19 Telephone interview with senior Japanese Ministry of Foreign Affairs (MOFA) official, 15 September 2009.
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22 Wright, Implications of the Financial Crisis, p. 6 (see note 4 above).
23 Ibid., p. 4.
28 The ‘arc of freedom and prosperity’ concept was first formulated in November 2006 by Taro Aso in his capacity as foreign minister to then Prime Minister Shinzo Abe. For an extended discussion of this idea, see Taro Aso, Jiyu to Hanei no Ko (Tokyo: Gentosha, 2007).
30 As Obama noted during his visit to Shanghai, ‘We do not seek to impose any system of government on any other nation, but we also don’t believe that the principles that we stand for are unique to our nation. These freedoms of expression and worship – of access to information and political participation – we believe are universal rights. They should be available to all people, including ethnic and religious minorities – whether they are in the United States, China, or any nation. Indeed, it is that respect for universal rights that guides America’s openness to other countries; our respect for different cultures; our commitment to international law; and our faith in the future.’ See ‘Remarks by President Obama at Town Hall Meeting with Future Chinese Leaders’, The White House, Office of the Press Secretary, 16 November 2009. Available online at: http://www.whitehouse.gov/the-press-office/remarks-president-barack-obama-town-hall-meeting-with-future-chinese-leaders.
35 The term ‘minilateral’ has become increasingly widespread in discussing new regional security initiatives in East Asia and elsewhere. With its focus on developing cooperative policy initiatives involving an intentionally restricted number of national participants,
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this approach is in marked contrast to ‘multilateral’ solutions that are much broader and more inclusive and, therefore, in the view of critics, more inclined to fail. For a discussion of the concept, see Stephen M. Walt, ‘On Minilateralism’, Foreign Policy, 23 June 2009. Available online at: http://walt.foreignpolicy.com/posts/2009/06/23/on_minilateralism.

37 South Korean interest in China as a provider of tertiary education has increased dramatically in recent years. See Jason Cohen, ‘The Dragon Next Door: Republic of Korea–People’s Republic of China Relations’, in J. J. Suh et al., SAIS U.S.–Korea Yearbook 2007 (Washington, DC: Johns Hopkins University Press, 2007), p. 141: ‘Between 2003 and 2007, the number of South Korean university students studying in China jumped more than 50 per cent, from 36,000 to 54,000. South Koreans now constitute more than one third of the 162,000–plus foreign students in China, outnumbering students from any other single country. Indeed, while the U.S. remains the number one destination for South Korean students, with 70,000 studying there in 2006, China is catching up fast as a preferred study-abroad destination. At the same time, 24,000 Chinese students were enrolled in South Korean schools, making China the largest contributor of foreign students to the ROK.’