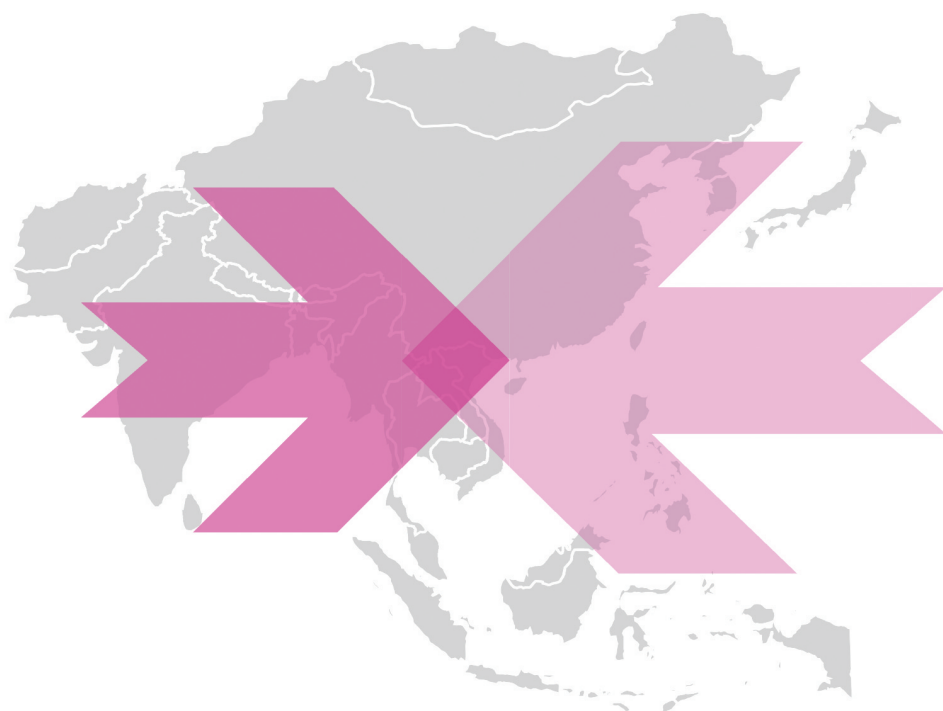


# AMERICA'S ROLE IN ASIA

THE IMPLICATIONS OF AMERICA'S REBALANCING POLICY TO ASIA



The Asia Foundation



# AMERICA'S ROLE IN ASIA

*The Implications of America's Rebalancing Policy to Asia*



**The Asia Foundation**



**Korean—American Association**

## **AMERICA'S ROLE IN ASIA: The Implications of America's Rebalancing Policy to Asia**

### **First Edition**

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## Preface

The 60<sup>th</sup> anniversary of The Asia Foundation (TAF) was commemorated with a series of events held in Seoul, Korea on November 6, 2014. The speeches and presentations given during those events have been reproduced in this report. Ambassador Michael H. Armacost, former Chairman of the TAF Board and former U.S. Under Secretary of State for Political Affairs, delivered the dinner speech.

The Asia Foundation Korea Office also cohosted a roundtable titled, “America’s Role in Asia: The Implications of America’s Rebalancing Policy to Asia,” in conjunction with the Friends of The Asia Foundation Korea (FOTAF). The roundtable featured a keynote speech by Chairman David M. Lampton of the TAF Board, and FOTAF Chairman Han Sung-Joo gave the concluding remarks.

The roundtable was moderated by Dr. Park Jin, Executive President of the Asia Future Institute, and the following distinguished scholars, former diplomats, and senior policy specialists presented their views on the prospects for the Asian region in the years ahead: Aileen Baviera, Professor, University of the Philippines; Ichiro Fujisaki, President of America–Japan Society and former Japanese Ambassador to the U.S.; Kim Sung-han, Professor, Korea University, and former Vice Minister of Foreign Affairs and Trade; Ren Xiao, Professor, Fudan University; and David I. Steinberg, Distinguished Professor Emeritus, Georgetown University.

The Korean–American Association cosponsored with The Asia Foundation the roundtable and publication of this report, *America’s Role in Asia: The Implications of America’s “Rebalancing to Asia.”*

# Contributors

## Keynote Speech

*Michael H. Armacost*

Ambassador Michael H. Armacost has been at the Walter H. Shorenstein Asia-Pacific Research Center (Shorenstein APARC) in his current role as Shorenstein Distinguished Fellow since 2002. In the interval between 1995 and 2002, Ambassador Armacost served as president of Washington, DC's Brookings Institution, the nation's oldest think tank and a leader in research on politics, government, international affairs, economics, and public policy. Previously, during his twenty-four year government career, Armacost served, among other positions, as undersecretary of state for political affairs and as ambassador to Japan and the Philippines.

Ambassador Armacost began his career in academia, as a professor of government at Pomona College. In 1969, he was awarded a White House Fellowship, and was assigned to the Secretary and Deputy Secretary of State. Following a stint on the State Department's policy planning and coordination staff, he became a special assistant to the U.S. ambassador in Tokyo from 1972 to 1974, his first foreign diplomatic post. Thereafter, he held senior Asian affairs and international security posts in the State Department, the Defense Department, and the National Security Council. From

1982 to 1984, he served as U.S. ambassador to the Philippines, and was a key force in helping the country undergo a nonviolent transition to democracy. In 1989, President George Bush tapped him to become ambassador to Japan, which is considered one of the most important and sensitive U.S. diplomatic posts abroad.

Ambassador Armacost is the author of three books, the most recent of which, *Friends or Rivals?*, was published in 1996 and draws on his tenure as ambassador. He also co-edited, with Daniel Okimoto, the *Future of America's Alliances in Northeast Asia*, published in 2004 by Shorenstein APARC. Armacost has served on numerous corporate and nonprofit boards, including TRW, AFLAC, Applied Materials, USEC, Inc., Cargill, Inc., and Carleton College, and he currently chairs the board of The Asia Foundation.

A native of Ohio, Ambassador Armacost graduated from Carleton College and earned his master's and doctorate degrees in public law and government from Columbia University. He has received the President's Distinguished Service Award, the Defense Department's Distinguished Civilian Service Award, the Secretary of State's Distinguished Services Award, and the Japanese government's Grand Cordon of the Order of the Rising Sun.

## **President's Introductory Remarks**

*David D. Arnold*

Dr. David D. Arnold is the sixth president of The Asia Foundation. A highly respected international development veteran with years of experience across the Asia-Pacific and the Middle East,

he leads all aspects of The Asia Foundation, including its headquarters in San Francisco, an office in Washington DC, and 18 different country offices in Asia. Before joining The Asia Foundation, Arnold served as president of the American University in Cairo (AUC) for seven years. Previously, Arnold served for six years as executive vice president of the Institute of International Education, the world's largest educational exchange organization. From 1984 to 1997, he worked for the Ford Foundation, serving as its first program officer in the field of governance and then for six years as the organization's representative in India, Nepal, and Sri Lanka. David Arnold began his public service career in 1975 in his home state of Michigan as a program budget analyst with the Michigan Department of Labor. He later served as executive director of the Coalition of Northeastern Governors, a regional think tank and policy institute. Arnold serves on the board of the World Affairs Council of Northern California. He is also a frequent public speaker on issues of governance and development in the Asia-Pacific. Arnold holds a master's degree in Public Administration from Michigan State University. He received an honorary doctorate of humanities from Michigan State University in 2011.

## Foreword

*Dr. David M. Lampton*

David M. Lampton is Hyman Professor and Director of SAIS—China and China Studies at the Johns Hopkins School of Advanced International Studies, having also served as Dean of Faculty from 2004–12. Dr. Lampton headed the China Studies programs at the American Enterprise Institute and at The Nixon



Center (now The Center for National Interest), having previously worked at the National Academy of Sciences and having started his teaching career at Ohio State University. He has an honorary doctorate from the Russian Academy of Sciences' Institute of Far Eastern Studies, is an Honorary Senior Fellow of the American Studies Institute of the Chinese Academy of Social Sciences, was the inaugural winner of the Scalapino Prize in July 2010 awarded by the National Bureau of Asian Research and the Woodrow Wilson International Center for Scholars, and is a Gilman Scholar at Johns Hopkins. His newest book, *Following the Leader: Ruling China, from Deng Xiaoping to Xi Jinping*, was published by University of California Press in January 2014. He consults with government, business, and foundations, and is on the board of several nongovernmental and educational organizations, including the Executive Committee of the National Committee on U.S. China Relations and Colorado College's Board of Trustees. He received his B.A., M.A., and Ph.D. degrees from Stanford University.

## Moderator's Welcoming Remarks

*Park Jin*

Dr. Park Jin is a Wilson Center Global Fellow, Chair Professor at Hankuk University of Foreign Studies, and executive President of Asia Future Institute. Dr. Park served in the Korean National Assembly for 10 years, from 2002 to 2012, representing the Jongno district in central Seoul. Dr. Park served as Chairman of the Foreign Affairs, Trade and Unification Committee. Prior to being elected to the National Assembly, Dr. Park held many positions in the government, including Political Affairs Secretary to

the President from 1996 to 1998 and Press Secretary to the President from 1993 to 1996. He received his bachelor's degree in Law from Seoul National University, his MPA from Harvard University Kennedy School of Government, and his D.Phil. in Political Science from Oxford University in 1994. He also earned an LL.M. from the New York University School of Law in 2000.

## Panel Speeches

*David I. Steinberg*

Dr. David I. Steinberg is Distinguished Professor of Asian Studies Emeritus at Georgetown University, and Visiting Scholar at SAIS, Johns Hopkins University, and author of 14 books and monographs. He served as the Director of Asian Studies, Georgetown University, and Senior Consultant to The Asia Foundation, and as The Asia Foundation's Representative in Korea on two occasions, from March 1963 until January 1968, and again from August 1994 until July 1998. He was previously Distinguished Professor of Korea Studies, Georgetown University; and formerly President of the Mansfield Center for Pacific Affairs. Earlier, he was a member of the Senior Foreign Service, Agency for International Development (AID), Department of State, Director for Technical Assistance in Asia and the Middle East, and Director for Philippines, Thailand, and Burma Affairs. He spent three years in Thailand with the Regional Development Office. Steinberg was educated at Dartmouth College, Lingnan University (Canton, China), Harvard University, and the School of Oriental and African Studies, University of London. His latest volumes are (with Fan Hongwei) *Modern China Myanmar Rela-*

*tions: Dilemmas of Mutual Dependence* (2012), and *Burma/Myanmar: What Everyone Needs to Know* (2013).

*Ren Xiao*

Dr. Ren Xiao is currently a Professor of International Politics at the Institute of International Studies (IIS), Fudan University, Shanghai, China, and the Director of the Center for the Study of Chinese Foreign Policy at IIS. In that capacity, in partnership with China's Ministry of Foreign Affairs, he founded the Diplomat-in-Residence Program at Fudan, the first of its kind in Chinese institutions of higher learning. Previously he served as a First Secretary at the Chinese Embassy in Japan between 2010 and 2012. Also, he was Senior Fellow and Director of the Asia Pacific Studies Department, Shanghai Institute for International Studies (SIIS). Dr. Ren studied in the University of Essex in England (1990–91) and held research or teaching positions at the University of Turku, Finland, Nagoya University, Japan, and The George Washington University in Washington, DC. His recent publications are, among others, *New Frontiers of Chinese Foreign Policy* (co-editor with Allen Carlson) (Lanham, MD: Lexington Books, 2011) and “Between Adapting and Shaping: China's Role in Asian Regional Cooperation.” Dr. Ren serves on the editorial boards of some major international academic journals including *Globalizations*, *East Asia: An International Quarterly*, and *East Asian Policy*. He is a member of the China National Committee of Council for Security Cooperation in the Asia Pacific (CSCAP). He received his Ph.D. in political science from Fudan University in 1992.

*Kim Sung-han*

Dr. Kim Sung-han is a professor at the Graduate School of International Studies (GSIS) and Director of the Ilmin International Relations Institute at Korea University. He has served as the Vice Minister of the Ministry of Foreign Affairs and Trade between 2012 and 2013. Before joining GSIS in September 2007, Dr. Kim was a professor from 1994 to 2007 at the Institute of Foreign Affairs and National Security (IFANS) in the Ministry of Foreign Affairs and Trade. Prior to that, he worked as a Research Fellow at the Institute of Social Sciences and as expert advisor to the Prime Minister's Committee for Globalization (1992–94). Dr. Kim has also served as Vice President of the Korean Association of International Studies; President of Korean Association of American Politics (KAAP); Secretary General of the Korean National Committee of Council for Security Cooperation in the Asia Pacific (CSCAP–Korea); and Chairman of the Vision Council for the ROK U.S. Security Policy Initiative. Currently, he is advising the Foreign Relations Committee of the National Assembly, the Ministry of Unification, and the National Intelligence Service. He also serves as member of the Presidential Advisory Council for National Security, which consists of nine security experts. Dr. Kim specializes in U.S. foreign policy and international security. He earned a BA and MA from Korea University and Ph.D. from the University of Texas at Austin.

*Aileen Baviera*

Dr. Aileen Baviera is a professor at the Asian Center, University of the Philippines, where she also served as Dean from 2003–09. She also has a visiting professor appointment at the University of

Malaya, where she teaches at the Asia–Europe Institute. Since 2011, she has been the editor-in-chief of *Asian Politics & Policy* (Wiley-Blackwell). Having trained in both area studies and international relations, her specializations include contemporary China, Southeast Asia–China relations, Asia Pacific security, and regional integration. Over the years, Dr. Baviera has held visiting fellowships or lectured at various institutions in Australia, China, Japan, India, Malaysia, Singapore, Taiwan, and the United States. Among recent engagements was time spent as a Visiting Senior Fellow at the S. Rajaratnam School of International Studies in Singapore and Visiting Scholar of the Australian National University and Griffith University. As a former member of the East Asia Vision Group, she participated in processes leading to the strengthening of ASEAN Plus Three cooperation. Prior to joining academe, she had been head of the Center for International Relations and Strategic Studies of the Philippine Foreign Service Institute, and Executive Director of a nonprofit group promoting development cooperation between the Philippines and China. She is also founding president of Asia Pacific Pathways to Progress Foundation.

### *Ichiro Fujisaki*

Ambassador Ichiro Fujisaki is the President of the America–Japan Society in Japan. He is also a distinguished professor of Sophia University and Keio University, both in Tokyo. Additionally, he is advisor to the metropolitan city of Tokyo. Formerly, Fujisaki served as the Ambassador of Japan to the United States between 2008 and 2012. During this period, there were frequent changes in Japanese leadership, but he stayed on as a point person between Japan and the United States. Fujisaki was instrumental

in bridging Japan and the U. S. following the devastating earthquake and tsunami that occurred in March 2011. He was engaged in all of Japan's negotiations with the U. S. on security and trade issues, including Trans-Pacific Partnership (TPP) consultations. As the Deputy Foreign Minister, he served as Prime Minister Koizumi's personal representative to the G8 Summit as Sherpa. He was Japan's chief trade negotiator and headed the teams for Free Trade Area agreement negotiations with the Republic of Korea, Malaysia, the Philippines, and Thailand. He has initiated and headed Deputy Ministerial dialogue with China. He also frequently traveled to India to lay the groundwork for large scale infrastructure projects which are currently underway. Fujisaki's diplomatic career extends 40 years as he joined the Foreign Ministry of Japan in 1969 after passing the High-Level Diplomatic Examination. He earned his B.A. degree in Economics from Keio University in Tokyo.

## **Closing Remarks**

*Han Sung-Joo*

Ambassador Han Sung-Joo is Chairman of the International Policy Studies Institute. He is a professor emeritus of political science at Korea University. He served in prominent government posts, including Minister of Foreign Affairs and most recently Ambassador to the United States. He was also president of Korea University and chairman of the East Asian Vision Group, established by the Summit Meeting of 13 East Asian Countries (ASEAN plus China, Japan and Korea) with the task of providing a vision for East Asian regional cooperation. He also served as the UN Secretary-General's Special Representative for Cyprus

and a member of the U.N. Inquiry Commission on the 1994 Rwanda Genocide. His English publications include *Korean Diplomacy in an Era of Globalization* (1995), *Korea in a Changing World* (1995), and *Changing Values in Asia* (1999). He has many publications in Korean, including *Nam Gwa Puk, Kurigo Sekye* [*The Two Koreas and the World*] (2000). Ambassador Han is a graduate of Seoul National University (1962) and received a Ph.D. in Political Science from the University of California, Berkeley (1970). Previously, he taught at City University of New York (1970–78) and was a visiting Professor at Columbia University (1986–87) and Stanford University (1992, 1995). He was also a Distinguished Fellow at the Rockefeller Brothers Fund (1986–87).

# Keynote Speech

## Contemporary U.S. Foreign Policy and Its Impact in Korea

*Michael H. Armacost*

It is a great pleasure for me to be back in Seoul, and to celebrate sixty years of productive work by The Asia Foundation in Korea. This country has dramatically transformed itself over the last six decades, and The Asia Foundation is proud to have played a modest role in that endeavor. Its consistent objective has been to offer thoughtful ideas, financial support, and technical assistance to encourage good governance, the rule of law, the empowerment of women, the reform of economic practices, the protection of the environment, and the promotion of human rights. Many of our local collaborators are here tonight, and I salute them.

This is an occasion for the foundation to highlight its past accomplishments, its current plans, and its future prospects. But I shall leave that task to our President, David Arnold, both because he is better equipped to perform it, and because I was asked to speak on another topic—Contemporary U.S. Foreign Policy and its Implications for Korea—to which I shall now turn.

My subject is challenging, because U.S. foreign policy has reached a critical inflection point. Change is in the air, and the contours and implications of change remain uncertain. My comments are my own, and they are personal. They represent neither



the views of the U.S. government nor The Asia Foundation. Barack Obama inherited the presidency at a time when U.S. overseas commitments had outpaced the willingness of Americans to provide the resources needed to sustain them. In 2008 our public was weary of war; our public finances were strained by debt; and the luster of our economic and political model had been tarnished by financial crisis and governmental dysfunction. Like Presidents Eisenhower and Nixon before him, Mr. Obama was destined to preside over a foreign policy of sober retrenchment rather than soaring ambition.

And so he did. He extricated U.S. forces from Iraq. He initially identified the conflict in Afghanistan as a “war of necessity,” but within a year, he announced a date certain for commencing the withdrawal of U.S. combat troops. He stood aside from the civil war in Syria, intervened only reluctantly in Libya, relied on drones and Special Forces to implement a counter-terrorism policy with a “light footprint” in places like Somalia and Yemen, and heralded a rebalancing of American geopolitical priorities away from the Middle East and back toward East Asia. He intended to focus his “nation building” activities on America.

This emphasis on retrenchment is coming to an end for several reasons. Above all, we are confronted by new dangers—Russian aggressiveness in Central Europe, the medieval brutality of the Islamic State in the Middle East, Beijing’s assertiveness in the South and East China Seas, and the Ebola virus in West Africa.

Beyond this, a number of President Obama’s foreign policy endeavors have not worked out as he expected and the American people hoped.

- Our troops are out of Iraq, and we have been mainly a spectator in the Syrian civil war, but large swaths of those countries are now controlled by a strain of Islamic extremism even more virulent than al Qaeda.
- Our threat of sanctions did not dissuade Vladimir Putin from annexing the Crimea, and the “pivot” back to Asia did not deter the Chinese from pressing their territorial claims in maritime Asia with increasingly muscular and implicitly coercive tactics.
- The President called for Mubarak, Assad and Gaddafi to “step down,” but regime change did not produce the benign results anticipated.
- Secretary Kerry’s determined efforts to reenergize the Israeli/Palestinian peace process proved abortive in the face of Israeli resistance and the fractured Palestinian leadership.
- And Washington’s early response to the spread of Ebola in Liberia, Guinea, Nigeria, and Sierra Leone was tardy and poorly coordinated.

A consequence of these developments is that policies of retrenchment are increasingly perceived as an expression of weakness and retreat. This has had a visible impact on public opinion in the United States. The president’s popularity is way down. Public support for his handling of foreign policy has dropped precipitously. Just a few months ago the American people appeared to believe that the U.S. government was too active and too involved overseas. Now they seem to feel that the administration’s responses to emerging foreign crises has been “too little, and too late.”

So an administration that prided itself on “not doing stupid stuff” is searching for a more comprehensive organizing principle for its foreign policy, and a strategy for responding to a host of new

crises. The difficulties of abandoning retrenchment are multiplied by the fact that the fiscal realities that encouraged it will not swiftly disappear.

It is noteworthy that President Obama is now entering the fourth quarter of his tenure. Many assume that he is or soon will become a “lame duck.” I would say not necessarily. As the presidencies of Ronald Reagan, Bill Clinton, and George W. Bush attest, it is possible for our Chief Executives to register significant achievements during their last two years in office. Reagan negotiated a major arms control agreement with the Soviets; Clinton conducted a successful humanitarian intervention in Kosovo and completed a trade deal with China; and George W. Bush authorized a troop surge that at least temporarily stabilized conditions in Iraq, and concluded several free trade agreements, including one with the ROK.

President Obama covets a consequential legacy in the field of foreign policy. His search will be marked by a growing sense of urgency. He will surely be tempted to devote more of his time and attention to external affairs given the realities of partisan gridlock on domestic legislation. There is sufficient time for him to leave a mark, so long as he concentrates his efforts on achievable objectives and works to enlist bipartisan support.

What then are the implications of these considerations for U.S. policies in Asia at a time when we are facing rising global disorder, and the chief locus of that disorder, alas, remains in the Middle East?

It's clear that region will remain a major preoccupation for Washington. But we are a global power. We don't have to abandon one

region in order to devote attention to another. We can walk and chew gum at the same time. And by the way, we are not a nation in decline. If the Chinese actually believe that, they are delusional.

We have our problems. But growth is perking up, the North American economy is increasingly integrated, our budget and trade deficits are shrinking, we still account for about 40% of global military spending, our energy security has improved dramatically, and Americans remain an innovative and resilient people when confronted by crises. The importance of Asia to American interests is well recognized, and we are not an “off-shore balancer” in the Pacific; we have been an integral element in the Asian balance for decades, and are in the region to stay.

This notwithstanding, the Middle East is not an area we can ignore. The self-proclaimed Islamic State is a deviant cult within the Muslim world. It is about as Islamic, as Chas Freeman has observed, as the Ku Klux Klan in America was Christian. But it presents a genuine threat. It is recruiting fighters from all over the world. It hopes to conquer the Arab East’s territories, and to use their resources to mount attacks on our interests, and perhaps eventually even on our territory.

Our strategy toward the IS remains in flux. Airpower alone will not be sufficient, even in collaboration with Kurdish ground troops, to “degrade, and eventually destroy” it. A broad coalition will be required to combat it. We have a significant role to play, but IS jihadis can be contained and shrunk only by a force with a strong Muslim identity. Hence, in my view an effective counter-coalition must be led by states within the Middle East.

Whether such a coalition will implicitly include the Iranians, Hezbollah, and the Assad regime remains unclear at least to me. At present they constitute the main forces arrayed against Islamic State fighters, and for those who presume “the enemy of my enemy is my friend,” their active involvement is welcome. But for American politicians, it is a very tough sell.

My point, however, is that the Middle East will remain a big-time U.S. foreign policy preoccupation. And we will need to devise an approach that is measured, limited, and designed to avoid relieving the principal regional players (including the Turks) of the primary responsibility for protecting themselves from this new menace.

A more intense rivalry with Russia has also arisen suddenly to a prominent place on Washington’s foreign policy agenda. Putin is determined to restore Russia’s status and power, and he seems predisposed relentlessly to press what he sees as his advantage, and thus to overreach. His policies have sent his domestic support skyrocketing, and he is not squeamish about using aggressive tactics to reestablish Russian predominance in its “near abroad.”

In the short term, that means preventing the Ukraine, Georgia, and other former Soviet republics from joining NATO or the EU. I personally believe that America’s earlier readiness to welcome Georgian and Ukrainian membership in NATO was a mistake. And I think a trade-off between closing that door in return for verifiable restrictions against Russian military pressure on Ukraine and other neighbors is well worth considering. Obviously any such effort would have to be collectively undertaken with our friends in Europe. I don’t know whether I represent Washington thinking when I say that.

These and other claims on our attention and resources do not diminish the U.S. stake in Asia. But it's clear that many Asians question the sustainability of a deeper Washington engagement with this region. So it is a good time to underline our intentions and capabilities in that regard.

### **The U. S. Military Presence in Asia**

When President Obama announced the “pivot back to Asia” in 2011, its military elements received the lion's share of public attention. I never understood why. The pivot never heralded a U.S. military build-up in Asia. It was designed to avoid a draw-down by exempting our presence in the Pacific from looming cuts in the Pentagon budget. Significant cuts have now been implemented in our defense spending for several years while Beijing has continued to expand its military modernization at a pace that raises alarm throughout the region.

The U.S. promises to deploy 60% of our naval and air assets in the Indo-Pacific won't provide much reassurance to friends and allies if we merely deploy a larger percentage of a smaller force out here. It is high time that we actually augmented our naval and air forces in this region. That requires an end to the sequester and an increase in the defense budget, and I suspect Congressional support for this may now be possible. If additional air and naval forces in the Pacific can be financed only by downsizing our ground forces in Northeast Asia, so be it.

The purpose of increasing our military strength in the Pacific is not to contain China, but to contribute to a stable regional balance

of forces that will discourage all countries in the area from attempting to resolve their differences by force.

### **The Trans-Pacific Partnership**

An equally urgent current requirement for the U.S. is to broker a deal in the Trans-Pacific Partnership negotiations, and to secure its ratification by Congress. A high quality regional free trade agreement will entice a host of additional countries to join, including, I hope, the Republic of Korea, and eventually China as well. This could be a real game changer. Serious negotiations have been on hold lately. But with our mid-term elections now over, it is essential that President Obama demonstrate the political courage required to overcome or neutralize the resistance to an agreement of protectionists in his own Party. This is a matter of urgency, because the political window of opportunity will not be open very long.

### **Japanese Security Policy**

We will need help from Prime Minister Abe to get the TPP issues resolved. I will leave it to others to dissect the missteps of the Abe administration on historical issues. I would merely express the hope that Tokyo and Seoul will devote more of their attention to the future, and less to the past.

That said, the adjustments the Japanese are making in their security policies strike me as timely and appropriate. The disquiet they have evoked in some quarters is perplexing.

- Tokyo's military spending has ticked up slightly, but its defense budget this year is smaller than it was a decade ago.
- In declaring its intent to exercise the right to collective self defense if that should be necessary, Japan is embracing an option that is presumed available to all members of the United Nations.
- Tokyo is amending some of the self-imposed restrictions that previously limited its defense policy. That is understandable. Like the ROK, it lives in a tough neighborhood. Yet, its government has not touched those defense policy restrictions that are of greatest sensitivity to its neighbors, for example, the 1% of GDP limit on its military spending, its ban on procuring offensive weapons systems, and its non-nuclear principles.
- In enlarging security cooperation with the Australians, Indians, and various ASEAN members, Tokyo is responding to the entreaties of other states that are worried about how Beijing intends eventually to utilize its rapidly growing military power.

Beijing is attempting to “brand” these adjustments as a “revival of Japanese militarism.” Can any thoughtful observer truly imagine that a country whose population is aging and declining, and whose public finances are in disarray, would embrace militarism? It is a fanciful notion, particularly coming from a country whose military spending increased by nearly 300% in the last decade.

## **U. S. Policy Toward China**

Our policy toward China is based on two fundamental realities. On the one hand, we are indispensable partners. We have a



gigantic economic relationship with Beijing. We constitute China's most important export market, and Beijing finances a large portion of our merchandise trade deficit. This gives us both a huge stake in constructive engagement with one another.

On the other hand, we do not know how China will eventually utilize the military power it is so rapidly accumulating, and we notice that Beijing's leaders speak less and less these days about China's "peaceful rise" or Deng Xiaoping's admonitions to "hide brightness" and "cherish obscurity."

During Mr. Obama's tenure, he first leaned heavily toward constructive engagement. China began flexing its muscles, apparently with the conviction that the global balance of power was shifting inexorably in its favor. In response, the U.S. shifted in the direction of hedging. When he met President Xi nearly eighteen months ago at the Sunnylands Summit, they expressed a shared desire to seek a new model of major power relations. Since then, however, the trajectory of our relationship has not been terribly reassuring.

- We are at odds on many of the current global geopolitical issues.
- Our differences over maritime disputes in the East and South China Seas have visibly sharpened.
- Some elements of strategic rivalry have crept into our relationship. We have more directly challenged Chinese interpretations of the freedom of navigation in its Exclusive Economic Zone, and the expansiveness of its territorial claims in the South and East China Seas. The Chinese meanwhile dismiss our "rebalancing exercise" as an effort to contain, weaken, and encircle China. President Xi now labels U.S. alliances in Asia

as “relics of the cold war,” and urges changes in the security architecture of the region designed “by Asians for Asians.”

It is encouraging that Presidents Obama and Xi are to spend some time together on November 12th following the APEC summit. I hope this will provide an occasion for some straight talk. “Tone at the top” is important, and it could use a lift. I hope each president will put his country’s primary concerns about the relationship on the table. I hope they will commit themselves to meet at regular intervals to work systematically through the agenda that emerges. They need to achieve visible progress on a few issues in the next year or two. Food security, water security, and energy security offer some promising possibilities. I hope they will capitalize on expanding military-to-military contacts to construct mechanisms for avoiding or managing incidents, particularly at sea and in the air. And they need honestly and patiently to address those issues that have proven to be more intractable.

When I was serving as Undersecretary of State for Political Affairs in the mid-1980s, I saw Secretary of State George Shultz and his Chinese counterpart, Foreign Minister Wu Xueqian, initiate and drive such a process, and it produced impressive results. Our relations have, of course, changed dramatically over the past quarter of a century. There are elements of cooperation and competition. We need to sustain and broaden the former, and keep the latter bounded by clear rules of the road. I believe those are achievable aims.

### **Implications for Korea**

What are the implications of all this for Korea and U.S.–ROK relations? Officials in both Washington and Seoul claim that our rela-

tionship “has never been better.” That is plausible. Our leaders have excellent personal rapport. We have made headway in transforming a solid alliance into a global diplomatic partnership. Recent high-level consultations on global and regional issues revealed a wide range of converging interests and effective mechanisms for policy coordination. We have managed to kick the tricky OpCon issue further down the road.

The most promising policy opportunities appear in the field of economics. If a deal can be achieved on TPP, an early ROK bid for membership would be especially welcome and should be easily achieved. And as LNG facilities are completed in the U.S., we will be able to add natural gas and tight oil to our exports to the Korean market.

Revising the bilateral Nuclear Cooperation Agreement will be highly challenging. But with good will and give and take, I believe we can manage to find a mutually satisfactory basis for its revision. There will also be plenty of snares to avoid in managing the relocation of U.S. forces to the south in a timely and efficient way.

As for North Korea, I would not expect Washington to venture far from its current reliance on “strategic patience.” It has been burned repeatedly by Pyongyang; the North Koreans exhibit no interest whatsoever in denuclearization, and the Obama administration has plenty of other urgent items on its agenda. Still, Washington is eager to keep its policy toward North Korea well synchronized with Seoul’s. Thus any significant change in our policy is likely to require some prior initiative toward the North from the ROK.

Managing our respective policies toward China will be challenging. Washington knows all about the size and significance of ROK trade with China. We know that Seoul continues to look to Washington for defense cooperation, and doesn't want to have to choose between its economic interests and its strategic concerns. We have no reason to force such a choice on you.

But we notice that Beijing is utilizing its economic leverage to influence South Korean views on security cooperation with the U.S. in the field of ballistic missile defense. I trust the ROK government is regularly reminding Beijing that there would be no need for BMD had China more effectively opposed Pyongyang's nuclear ambitions. There are risks of a possible disconnect here.

Persistent tensions between Seoul and Tokyo complicate our alliance management in Northeast Asia. Conversely, expanded ROK/Japan links in the fields of intelligence and naval cooperation would appear to offer especially appealing mutual benefits. I doubt that Washington will take sides or thrust itself in the middle of this bilateral scuffle between allies. But it breeds frustration in Washington, which would welcome some diplomatic resourcefulness from both capitals.

I have spoken about the pursuit of our national interests. That is what foreign policy is mainly about. America, as you all know, is a country which considers its principles universal, and consequently also promotes its values beyond its shores.

Since the cold war ended, political leaders in the U.S. have searched for a doctrine to replace containment. "Enlarging democracy" has had wide appeal. George W. Bush even proclaimed in his second inaugural that Americans should seek "to end tyranny

in the world.” That was shooting too high. Greater modesty is appropriate. George Shultz spoke for me and most Americans, I believe, when he wisely observed, “Americans, being a moral people, want their foreign policy to reflect the values we espouse as a nation. But Americans, being a practical people, also want their foreign policy to be effective.”

Fortunately, we have The Asia Foundation. And when I say “we,” I don’t mean just Americans. Relative to governments, nonprofit has distinct comparative advantages when it comes to fostering good governance and strengthening civil societies. It has accumulated decades of experience and expertise in pursuing this mission. Its funding sources are diverse. Its staff and its board are multinational in their composition. Its partners are local. It is unobtrusive in its style. It has established a proud legacy over the last six decades. And I am happy to express my best wishes and high confidence that it will attain even greater success in the next six.

Thank you very much.

## Introductory Remarks

*David D. Arnold*

Thank you for that kind introduction, Ambassador Han.

Ladies and gentlemen, good afternoon and welcome! Thank you so much for joining us. I am pleased to be here with all of you and to welcome you to this luncheon and roundtable discussion on America's Role in Asia, the first of The Asia Foundation's 60<sup>th</sup> Anniversary events in Seoul.

As many of you know, The Asia Foundation is a nonprofit international development organization, which has been working to build capacity, expand economic opportunities, and strengthen democratic institutions in Asia since 1954.

We currently work in 18 countries and we work across five main thematic areas: Governance and Law, Economic Development, Women's Empowerment, Environment, and Regional Cooperation. In addition, our Books for Asia and professional exchange programs are among the ways we encourage Asia's continued development as a peaceful, just, and thriving region of the world.

Here in Korea, the Foundation has played a key role over the past 60 years assisting in the nation's remarkable transformation. Our Korea office has supported several thousand grantees, both individuals and organizations, during our six decades of programming. Our office in Seoul currently works to strengthen the capacity of South Korean government agencies and NGOs, promotes international exchanges with North Korea, and facilitates regional cooperation in Northeast Asia.

Today's roundtable discussion will focus on the critical issues facing Asia today and the implication of America's rebalancing policy to Asia. I'm sure you all join me in anticipation of the remarks of our distinguished panel, moderated by Dr. Park Jin, Executive President of the Asia Future Institute.

Please enjoy your meal. I will return after the meal to introduce our keynote speaker, Professor David M. Lampton.

*(After luncheon)*

It is now my pleasure to introduce our distinguished Chairman of the Board of Trustees and our keynote speaker this afternoon, Professor David M. Lampton. Dr. Lampton is the Hyman Professor and Director of China Studies at the Johns Hopkins School of Advanced International Studies. He heads up SAIS China, and the school's overall presence in the People's Republic of China. He received his bachelor's, master's, and doctoral degrees from Stanford University. He has an honorary doctorate from the Russian Academy of Sciences' Institute of Far Eastern Studies, is an Honorary Senior Fellow of the American Studies Institute of the Chinese Academy of Social Sciences, was winner of the Scalapino Prize in 2010, and is a Gilman Scholar at Johns Hopkins. He is the author of many scholarly books on the topic of China, the newest of which is *Following the Leader: Ruling China, from Deng Xiaoping to Xi Jinping*.

Please join me in extending a warm welcome to Professor Lampton.

# Foreword

## The U. S.—China Relationship in Perilous Times

*David M. Lampton*

### Introduction

Celebrating its 60<sup>th</sup> Anniversary, The Asia Foundation (TAF) has been honored to be a partner of the Republic of Korea (ROK) and its people since the dark days of the 1950s. Our first grant was made here in 1953. This was the same year our two nations enacted our enduring bilateral security alliance. I want to thank former Foreign Minister and Ambassador Han Sung-joo for the help he has given TAF, his role in this celebration, and for inviting me to speak with you. We are proud to number Ambassador Han, and many of you here today, among our most esteemed former grantees.

I speak to you as friends of long standing from whom America can learn. I hope to elicit your thoughts on current conditions and positive steps we all can take to produce a brighter future. Let me make explicit what I am sure is obvious—I speak for myself.

The post-World War II histories of the ROK and the United States have been dramatically shaped by our respective and joint ties with China. Flying into Incheon [International] Airport one passes over the tidal flats that were a dramatic turning point in the Korean War.



Incheon was a battle that produced a tactical victory over North Korean forces in September 1950 and set the stage for what I have always felt was an inadvertent war with the PRC thereafter.

That war imposed enormous costs on everyone. Moreover that war reverberated throughout policies germane to the doctrine of containment, Japan, and Taiwan. That conflict also set the stage for the massive U.S. commitment to what became South Vietnam and shaped this Peninsula and the Taiwan Strait in ways that define today's Asia. All this demonstrates how conflict with Beijing can metastasize. We must learn from this history and not repeat it.

Instead, we should move toward a future in which the ROK, the United States, China, and others create inclusive security, economic, and environmental structures that enable us to address challenges we individually and collectively face. In truth, however, I cannot say with confidence that this is the direction we are headed, though I think there is modest hope for progress at the upcoming Obama—Xi meeting in Beijing.

### **Where Do We Seem Headed?**

There are important domains of U.S.—China relations in which progress is evident. U.S.—China trade is growing and probably will reach US\$600 billion this year; China is America's second largest trading partner and third largest export market; the PRC currently is a US\$300 billion market for U.S. firms if U.S. exports to China and sales by U.S.-invested firms there are counted; the PRC is the biggest export market for American soybean and cotton, and sixth largest for corn and wheat; and Chinese

direct investment in the U.S. grew from US\$5 million in 2000 to US\$36.2 billion in 2013, and US\$43.1 billion by the end of Q3 in 2014. Chinese FDI in the United States doubled in 2013. Private Chinese firms dominate inflows. I was in Detroit not long ago—there were at least 100 Chinese-invested ventures in the city’s metropolitan area, concentrated in the auto sector.

In terms of cultural and educational exchange, China’s hundreds of thousands of tertiary, secondary, and even primary school students studying in America bring in at least US\$6 billion in school-related revenues to the United States, add greatly to U.S. educational and research life, and lay a foundation for greater mutual understanding.

Even in strategic and transnational issue areas, there is important and hopeful cooperation in the Gulf of Aden on piracy; in West Africa on Ebola; and limited dialogue on strategic issues and growing military-to-military cooperation, including the Rim of the Pacific Exercise (RIMPAC) and Cobra Gold. The public and private sectors in both countries are engaging in important joint undertakings on energy (including nuclear energy) and climate change. And, cross-Taiwan Strait cooperation generally has been welcome in Washington, where most observers hope that positive momentum can be maintained beyond President Ma Ying-jeou’s term. Nonetheless, while some blue sky is to be seen in U.S.–China relations, we must admit that dark thunder clouds are visible as well. We can hope that, as the Chinese say, “they produce thunder claps, but little rain.”

America and China seemingly no longer have a shared strategic rationale for bilateral ties that is widely compelling to the citizenry of each nation, nor persuasive to at least segments of each

country's political elite—though a majority of Americans still support engagement. The anti-Soviet rationale broke down with the fall of the Soviet Union. The economic rationale of Presidents Bill Clinton and Jiang Zemin, and the anti-terrorism and economic agendas of Presidents George W. Bush, Jiang Zemin, and Hu Jintao seem less compelling, given mounting U.S.–China frictions. Under Presidents Obama and Hu Jintao and Xi Jinping, we have seen the areas of friction and suspicion multiply without the creation of an offsetting, positive rationale for emphasizing overall cooperation.

It is not easy to define precisely when the train of shared strategic rationale jumped the tracks. Two broad policy decisions, one in each country, seem to have been important. For China, I believe the meeting of the 17<sup>th</sup> Central Committee in its fourth plenary session of September 2009 was important. This was when a phrase was reintroduced into the Chinese lexicon—“under the new situation” (*xin xingshi xia*). While this phrase initially seemed to apply more to domestic concerns, with the transition to Xi Jinping (and the U.S. “Pivot to Asia”), it seems to have assumed greater foreign policy significance. “The new situation” referred to was a circumstance in which the ruling Party in Beijing defined itself as facing a more hostile external (and internal) environment than Deng Xiaoping had confronted in his reform period. The “new situation” also was a circumstance in which China had more capability to defend and promote its interests than ever before. In short, China was more threatened and had more capability.

Washington contributed to this dynamic. The way the U.S. “pivot” was rolled out in late 2011 with muscular presidential and secretary-level statements and writings, reference to military

force repositioning, and unrealistic geopolitical and U.S. budgetary assumptions all fed the Chinese belief that the security environment for the PRC had become more hostile. The late-2012 return of Prime Minister Abe to power in Tokyo, and Washington's tighter alignment with Japan, only further inflamed Beijing at a time when it perceived U.S. and Japanese power to be relatively declining. Tokyo itself became more assertive, "nationalizing" the Diaoyu/Senkaku Islands before Abe stepped on the scene, with segments of the Japanese political elite including Prime Minister Abe resurrecting questions about what Tokyo actually had learned from World War II.

From both Washington's perspective and in the views of many in the region, Chinese assertiveness became prominent in 2009–10: I need not mention the many oft-cited examples, simply noting that Beijing's 2010 reactions to events on and near the Korean Peninsula (the sinking of the *Cheonan* and the shelling of Yeonpyeong Island by North Korea) mark the start of a period in which strategic worries about Beijing in the region and in Washington grew noticeably.

These developments gave energy to the pivot/rebalancing and to PRC fears of encirclement, with Beijing reacting badly to ever-more explicit U.S. statements on the South China Sea and how the islands at dispute in the East China Sea related to U.S. commitments under the Alliance with Japan. One party's moves fed unwelcome reactions by the other. Xi Jinping made his first foreign foray as president to Russia in March 2013, saying that China and Russia were "most important strategic partners" and that they spoke a "common language." Beijing not speaking out forcefully against recent Russian violations of Ukraine's sovereignty have been troubling to America and Europe.

**What Are Drivers of Friction? What Are the Possible Paths Forward?**

Four broad considerations are driving this negative U.S.–China dynamic: domestic politics in both countries, not least interest groups and public opinion; the growing role of nationalism throughout Asia; delicate third-party relationships that Beijing and Washington have that involve each other (e.g., North Korea, Japan, Taiwan, Philippines, India, Vietnam, Pakistan, etc.); and the fact that when weaker powers rise in the hierarchy of states, they become impatient for rights and privileges, and when dominant powers see their position eroding, they become reluctant to give up the privileges that prior arrangements conferred.

So, what broad policy choices do the United States, China, the ROK, and others in this region face? What would represent the wisest choice for us to make out of consideration of our own interests and peace and development in this region? I am quite persuaded by the arguments of Henry Kissinger in his recent writings and an old friend from Shanghai, Professor Huang Renwei.

In terms of broad visions of the future, there are at least four: (1) One possibility is an Asia in which the United States is clearly dominant and China agrees to peaceful coexistence within that Post-World War II order. This has little appeal to Beijing over the long run, if for no reason other than a central feature of that order is alliances of which China is not a member; (2) Another alternative is an Asian order in which a relatively diminished U.S. seeks to bolster its position through tighter alignment and greater burden-sharing with allies. This option is not attractive to some allies who would not wish to choose between the United States and China and who would be reluctant to bear the economic and

human burdens. If Japan is to be an ever-stronger military feature of this architecture (burden-sharing mechanism), some countries in Asia would feel uncomfortable, most particularly China. An Asian order unacceptable to China is likely to be unstable; (3) A third possible future is one dominated by China in some sort of sphere of influence—we can stipulate that is unacceptable to the United States, Japan, most of China’s neighbors, and Europe; (4) This leaves us with a final broad possibility—working toward what Kissinger called a “Pacific Community.” This is a cooperatively negotiated order that will be hard to realize. The core of such a “Community” is inclusive security and economic institutions in which the United States, China, Japan, and Korea are important members.

We all can see the difficulties of realizing this fourth vision. But the only thing more difficult than pursuing this fourth vision is accepting all the conflict and opportunity costs that we inevitably will face if we go down any of the other paths. Better the hard path, to a good place, than the easy path to a bad place. We owe it to our grandchildren and generations hence not to take the easy path.

## Moderator's Opening Remarks

*Park Jin*

I would like to add my own congratulations to the 60<sup>th</sup> anniversary—the *hwangap*—of The Asia Foundation. As you are all aware, The Asia Foundation's service in Korea dates back to the very beginning of the Foundation itself. First by providing rolls of paper for printing textbooks for Korean children, the Foundation has since worked in just about every sphere of Korean society, from education and academic research to culture, development, and democracy. And I am deeply humbled to note that the Foundation has left a lasting legacy in them all. What is most remarkable is that, over those 60 years, Korea has turned from a beneficiary of international support to a benefactor now providing aid and assistance to other Asian nations. I would like to take this opportunity to acknowledge The Asia Foundation's dedication to peace and prosperity not just of this nation, but also of the entire Asian region.

I'd be preaching to the choir if I were to begin this session with an elaborate account of the importance of Asia. Indeed, anywhere around the globe or at any event, it is now rarely the case that one has argued for the Asian century. Rather, the emergence of Asia is widely taken as given. Perhaps one could go further and claim that we are already living in the Asian century.

What perhaps does merit a mention, however, is the continued prevalence of the so-called Asian Paradox—the mismatch between the growing economic interdependence among Asian nations and the lack of a coherent institutional mechanism for

political and security cooperation. ASEAN, EAS, APEC and other Asian institutions are platforms for multilateral discourse, but rarely for concerted action. Meanwhile, high tension and instability continue to be the status quo in various parts of the Asia-Pacific such as the East China Sea, the South China Sea, the Taiwan Strait, and the Korean peninsula, just to name a few.

Given the ethnic, historical, cultural, and ideological diversity of Asia, perhaps that is not too surprising. What matters, however, is the undeniable reality that the absence of close strategic coordination in Asia is hindering the progress of Asia despite its enormous potential.

It is against this backdrop of conflicts and disputes in the region that the U.S. Rebalance to the Asia-Pacific has emerged as one of the signature foreign policy initiatives of the Obama administration. Obama's first Secretary of State Hillary Clinton rightly observed that "maintaining peace and security across the Asia-Pacific is increasingly crucial" to America's economic recovery at home and to global progress. President Obama has also been clear in his "deliberate and strategic decision" that the U.S., "as a Pacific nation," should "play a larger and long-term role in shaping this region and its future."

However, the developments so far appear to have left many in doubt. And for today's session, I would like to raise a few questions about the U.S. rebalance to Asia.

First, many argue that no great change could really be expected with the supposed "rebalance to Asia" because America had never really left Asia. Historically, America has always been at the very heart of the security regime in the Asia-Pacific since



1945. And while it is true that the previous U.S. administration was engaged in two costly wars in Iraq and Afghanistan, it could be questioned whether that meant that the U.S. engagement in the Asia-Pacific was in any significant way neglected. For it could also be argued that that same administration under President George W. Bush initiated the shift towards a more sustainable posture in the region, joined negotiations for the Trans-Pacific Partnership (TPP), and concluded an FTA with South Korea. So the question is, to what extent does the Obama administration's rebalance mark a change in America's Asia-Pacific strategy?

The panel will discuss recent U.S. policy initiatives that have been put forward as a part of the rebalance. In particular, adjustments in the Pacific force posture seem to cause much debate among policymakers and commentators alike. Just how much more can and will the U.S. bring to the Pacific region and what are the implications? Also, what did President Obama's April 2014 tour of Asia yield?

Second, we ought to examine the rebalance to Asia in a broader context of changes in U.S. global leadership. Expectations about what and how much America can and should do are changing, both at home and around the world. Some say that the U.S. has reached an "inflection point," while others observe that the unipolar moment is coming to an end.

Perhaps it is too early to give a definite verdict. Yet the recent developments, in particular the economic dislocation in the U.S. and Washington's response to the crisis in Ukraine, would seem to suggest that the image of the U.S. as an omnipresent and omnipotent superpower is rapidly being challenged.

As for the rebalance to Asia, even its very launch was marred in the lasting shadow of financial crisis; as long as Washington remained preoccupied with getting its books in order, some argue, any substantial shift in strategy was going to be a tall order. President Obama's unfortunate cancellation of his 2013 tour of Asia, due to the federal government shutdown, is a case in point. Now, with resources more scarce than ever, especially with the competing demands of combating the threats of ISIS, the U.S. finds itself with a difficult balancing act over the rebalance. How, then, will the changing circumstances affect the U.S. rebalance to Asia?

Third, the TPP question. One of the most common criticisms about the current rebalancing strategy concerns the over-emphasis on military security. For those who remember, Secretary Hillary Clinton had actually established six priorities for the rebalance, from reinforcing bilateral alliances and deepening relations with emerging powers to re-engaging with multilateral regional institutions and advancing democracy and human rights. And it undoubtedly continues to be the Obama administration's priority to expand commerce and investments—which is why the ongoing negotiations for TPP merit our attention as a part of the U.S. rebalance to Asia. Indeed, TPP presents another interesting test for the U.S. leadership in the dynamically evolving Asian economy. In competition with the Regional Comprehensive Economic Partnership (RCEP) in East Asia that is pushed by China, what is at stake is the future leadership in the expansion of free trade networks in the Asia-Pacific region.

Which brings me to my last, and certainly by no means the least, question—China. Unfortunately, the recent developments have brought the U.S. and China to something of a showdown by

proxy; rarely do the two superpowers clash with each other directly, but just about anything they do or do not do is being interpreted and analyzed in terms of their respective strategies towards each other. From the disputes over China's newly imposed Air Defense Identification Zone (ADIZ) over the East China Sea to the continuing tension regarding the so-called nine-dash line in the South China Sea, the two nations have not been able to engage positively with each other on some of the most pressing issues in the region. From the Korean perspective, the rise of China and its growing power and influence in the region have complicated the Korean diplomacy between the U.S. as an old ally and China as a new strategic partner. South Korea's current trade volume with China exceeds its combined trade volume with the U.S., Japan, and Russia put together. China aims to create a united front with South Korea vis-a-vis Japan on historical issues, while opposing the proposed deployment of Terminal High-Altitude Area Defense (THAAD) missiles in the U.S. military bases in South Korea. Some Chinese scholars even postulate that China and South Korea need to conclude a *de facto* alliance between the two countries to presumably counterbalance the U.S.-Japan alliance in Asia. This is transpiring when the strained relationship between South Korea and Japan is not being resolved.

So America's rebalance to Asia has raised much suspicion in Beijing, which in turn gave the PRC an excuse for their own posture build-up in the region. Here, we must ask how the two Pacific superpowers can come to establish a new model of cooperative partnership based on shared common interests and opportunities. The long-standing trust deficit between the U.S. and China is something we all need to work to resolve.

Finally, the question of North Korea remains unsolved. In fact, the situation is getting worse due to North Korea's continuing nuclear proliferation and missile development. The denuclearization of North Korea is a crucial condition for the peaceful unification of the Korean Peninsula. This can only be achieved by the concerted efforts of South Korea, U.S., and China together with other members of the Six-Party Talks.

So we face a rapidly changing Asia-Pacific. Against the pressing challenge of combating nontraditional threats to our security, the Asia-Pacific states have already begun to form new circles of alliances and partnerships. The diversification of economic and trade links, largely due to the growth of China, accelerates this transformation. In other words, the nature of threats and opportunities is evolving, and so is the way in which the Asian nations come to address those threats and pursue opportunities.

To stay in the arena and do so as a global leader, it is inevitable that the U.S. commits more resources to the region. The U.S. will also have to reach beyond its traditional allies such as Japan, South Korea, Australia and the Philippines, and be much more flexible as well as proactive in its Asia policy. The question is, as always, how. And to that, I now defer to my esteemed colleagues and friends on the panel.

## **Walking the Tightrope: Implications for America's Rebalancing Policy in Asia**

*David I. Steinberg*

Those who applaud, condemn, or are surprised by the United States policy under the Obama administration of a “pivot” or “rebalancing” to Asia perhaps have forgotten the longer range, historical trajectory of U.S. policy in that region. Stressing East Asia seemed a policy innovation, but “pivot,” the term first used, and “rebalancing,” the official redefinition of this policy, are not exactly synonymous terms and are not inventive. Although “pivot” can imply a crucial point of stress or action, the term is inaccurate both given important U.S. interests elsewhere and because it lacks the temporal element. East Asia is and has been obviously of continuing importance to the United States.

“Rebalancing” is more accurate, although a less dynamic term, as a description of both historical and contemporary conditions. “Rebalancing” places U.S. policy in historical context. It is, in fact, a statement of the resurgence of the traditional: simply the latest incarnation of a consistent U.S. policy in the East Asia region, perhaps overlooked because of the recent U.S. massive involvement in the Middle East and for a period of what, in other contexts, was a kind of “benign neglect” of Southeast Asia following the Vietnam War.

Some (such as the Heritage Foundation<sup>1</sup>) consider it is a result of the size and importance of the economies of Japan, China, and South Korea. These certainly are critical in the modern world, and no doubt will continue to be so for the indefinite future. But the rebalancing policy is more basically a public reaffirmation of the U.S. as a Pacific power. It is a century-and-a-half-old policy that has and has had two constant objectives: reiteration of the U.S. traditional interests in the region, and the prevention of the rise of any hegemonic power in that area that could threaten U.S. interests and role.

In the nineteenth century, the U.S. Open Door and “most favored nation” policy in China was articulated to prevent European control of Chinese markets. In the twentieth century, this policy was obvious throughout a number of actions: U.S. settlement (which brought the Nobel peace prize to Theodore Roosevelt) of the Russo-Japanese War of 1904–05 to prevent any overwhelming regional victor and therefore suzerain power; limiting Japan’s advances in the Pacific as an ally in World War I; the Washington Naval treaty of early 1920s limiting the size of Japanese fleet in a ratio to the U.S. and British fleets; World War II to prevent Japanese control over the Greater East Asia Co-Prosperity Sphere; the Korean War, the Vietnam War (with its “domino” theory), and the U.S. foreign aid programs in East and Southeast Asia, all of which were justified to the Congress in terms of preventing the spread of communism in the region. In each case, although the potential dominant power may have been different, the objective was always the same. Although the strategy may have been couched in altruistic terms, such as saving Asia from authoritarian control by one or another power or the economic development of improv-

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1) Walter Lohman, Olivia Enos, and John Fleming, “2014 Asia Update: What’s at Stake for America,” The Heritage Foundation (October 2014), <http://www.heritage.org/research/reports/2014/10/asia-update-whats-at-stake-for-america-2014> (accessed in October 2014).

erished peoples, the policy's primary, continuing if often publicly unarticulated purpose was strategic. Traditionally, but now increasingly, balancing includes a strong and different economic rationale. There is, however, also a new element in the U.S.' increased attention to East Asia: a significant portion of U.S. citizens and residents, as well as foreign students, are from that region. It can be ignored only at the longer-term peril of the U.S. in foreign policy terms, but it also can figure positively or negatively, if ignored, in domestic U.S. politics as well.

An authoritative rationale of the rebalancing is "to provide reassurance of its [the U.S.'] lasting commitment in order to cultivate an open, fair, stable and predictable political, economic, and security operating environment across a vast region spanning from India to the United States."<sup>2</sup> The rebalancing contains six objectives: strengthening alliances, improving relations with emerging powers, economic statecraft, engaging with multilateral institutions, support for universal values, and increasing the U.S. military presence. None of these are exotic or new; they are elements of U.S. foreign policy in many times and places including East Asia, but they shift in emphasis and priority depending on the circumstances.

The rationale also made sense in domestic U.S. politics, and may at least in part be driven by such considerations. President Obama wanted to move away from the U.S. embroilment in the Middle East, and this was a signal that the unpopular and highly criticized Bush era policies focusing there, to the detriment of inattention to

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2) Kurt Campbell and Brian Andrews, "Explaining the US 'Pivot' to Asia." (London: Chatham House, Americas 2013/01, 2013). The term "predictable" in that statement is an often overlooked but critical element of any such foreign (or business) policy. The official statement is Sustaining U.S. Global Leadership: Priorities for the 21<sup>st</sup> Century. (Washington, DC: Department of Defense, 2012).

East Asia, were over.<sup>3</sup> It also had implications for increased employment in the U.S. as part of an economic rationale, and there was a significant, growing Asian population in the United States of considerable economic and potentially political importance as well.

Secretary of Defense Panetta in June 2012 publicly rejected the view that the rebalance was to “constrain China’s growth,” maintaining that a “thriving China” was good for both China and the U.S.<sup>4</sup> A pervasive perception, accurate or not, both among those approving and disapproving of the policy was evident: that the emerging importance of China as a major military and economic power was the real focus of the rebalancing, whether as a “stakeholder” in a vital region, a potential adversary, or as a partner. Those who supported it often concentrated on that element,<sup>5</sup> but even some critics of rebalancing were concerned about China, but in contradictory manners. One thought that China as a military threat to the region or to the U.S. was so far distant that essential U.S. strategic attention should still be focused on the Middle East.<sup>6</sup> Kevin Rudd, the former Prime Minister of Australia, however, believed that rebalancing in the region was appropriate. “Without such a move, there was a danger that China, with its hardline, realist view of international relations, would conclude that an economically exhausted United States was losing its staying power in the Pacific,” although he called for more than a military stance. Another felt that the premise of the rebalancing was completely wrong. One scholar thought that China was not a military threat; just the opposite. “China’s leaders have long understood

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3) Matt Schiavenza, “What Exactly Does It Mean That the U.S. Is Pivoting to Asia?” *The Atlantic*, April 15, 2013.

4) Shangri-La Dialogue, Singapore, 2012

5) See, for example, Gen. Wesley Clark, “Getting Real about China.” *The New York Times*, October 12, 2014.

6) Amiotai Etzioni, “The United States’ Premature Pivot to ‘Asia’.” *Society* 49. (2012). 395–399.



that their country's military remains significantly inferior to that of the United States, but from a deep sense of insecurity born of several nerve-racking years of financial crisis and social unrest. Faced with these challenges, and no longer able to count on easy support based on the country's economic growth, China's leaders moved to sustain their popular legitimacy by appeasing an increasingly nationalistic public with symbolic gestures of force."<sup>7</sup> Certainly, the rise of nationalism in East Asia (and for that matter in the U.S. after 9/11) is a widespread phenomenon to be neglected at the peril of failed policies in any field. This is especially true in countries that have been subjected to colonial pressures or military defeat.

In one of the stronger arguments in favor of an even more pronounced rebalancing, Chinese "expansionism" is considered as the major threat. "So-called Chinese 'salami slicing' intimidates neighbors, destabilizes Asia and undermines U.S. alliances and U.S. standing as the region's security guarantor." The U.S. position is eroding due to other priorities. "This approach is misguided given the importance of Asia and the prevailing balance of U.S.-Chinese influence there." An intense military build-up is advocated.<sup>8</sup>

A survey of a modest number of "strategic elites" in eleven Asian countries had diverse opinions on the rebalancing and the U.S. and Chinese roles in Asia.<sup>9</sup>

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7) Robert S. Ross, "The Problem with the Pivot: Obama's New Asia Policy is Unnecessary and Counterproductive," *Foreign Affairs*, November/December 2012.

8) Robert Sutter, "Asia's Importance, Chinese Expansion and U.S. Strategy: What Should Be Done?" East-West Center, *Asia Pacific Bulletin*, No. 283. (October 2014).

9) Michael J. Green et al. *Power and Order in Asia: A Survey of Regional Expectations*. Washington, DC, Center for Strategic and International Studies. (MD: Rowman & Littlefield, 2014). The survey of elites in eleven countries is statistically too small to be conclusive, yet its striking conclusions are important to understanding trends in the region.

An average of 79 percent of respondents expressed support for the Obama administration's strategic rebalance to Asia. China was the only country where a majority of respondents disapproved of the rebalance, by a margin of 77 to 23 percent. When asked to evaluate the rebalance, most respondents, 51 percent on average, suggested it is the right policy but is neither resourced nor implemented sufficiently, followed by 24 percent who felt it is reinforcing regional stability and prosperity. China was the only country where a majority of respondents believed the rebalance is too confrontational toward China (74 percent compared with a regional average of 18 percent).

Only Thailand, India, Indonesia, and Taiwan believed that China would exert the greatest power in East Asia in ten years, and Thailand was the most extreme in this view (89 percent), and was with the exception of China the lowest (54 percent) in support of the rebalance. Of all the countries surveyed, only China, Japan, and India believed that the U.S. would be the most important economic power. Ninety-six percent of U.S. experts supported the rebalance. In a period of intense nationalism, the views of this group of elites may have to be tempered by various governments' needs to appease popular sentiment, especially popular sentiment based on perceived historical injustices.

All Chinese with whom I have discussed the matter, either in Beijing or Kunming, regard the rebalancing policy as an attempt to "contain" China—the second such attempt, the first of which during the Cold War was exemplified by SEATO (The Southeast Asia Treaty Organization) and U.S. alliances with Japan, South Korea, the Philippines, and Thailand. As demonstrations of that intent to contain, Chinese media have now even linked the role of Japan in the Senkaku Islands, and U.S. affirmation of that fact, to that of the U.S. opening and improved position in Myanmar and a vast increase in Japanese assistance to that country.

The potential placing of 2,500 marines in Australia and some modest reconfiguration of naval forces by 2020 are simply symbolic of continuing U.S. interests and commitments and I would argue have little immediate military value.<sup>10</sup> Since the rebalancing announcement, however, U.S. security ties in the region have been strengthened. This year, the U.S. and the Philippines signed a new Enhanced Defense Cooperation Agreement (significant since the Philippines is engaged in a territorial dispute with China in the South China Sea), and the U.S. approved arms sales to Vietnam, which is also in dispute with China over nautical claims. Prior to the announced rebalancing, the U.S. was involved in anti-piracy activities in the Malacca Straits region and in counterinsurgency and counter terrorism ones in the area. Of course, through the multilateral banking organizations the U.S. has supported a variety of development activities in Southeast Asia.

Other real changes in U.S. policy in Southeast Asia were not a result of the announcement of rebalancing, which was a political statement as much as a strategic one, but preceded it. In some sense, the public statement on rebalancing was an outcome of revised policies and a type of policy afterthought. Improvement in relations with Myanmar started within two months of the inauguration of President Obama (before rebalancing), followed by an intensive review of U.S. Myanmar policies. Reestablishing the importance of ASEAN to the U.S. after significant neglect was in large part due to a reforming government in Myanmar. It had

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10) The rebalancing had nothing conceptually to do with excellent ad hoc humanitarian efforts by the U.S. military in typhoons and tsunamis in East Asia, and previous counter terrorism and anti-piracy activities in the region. There may be avenues for military-to-military cooperation between China and the U.S. in regional disasters or in health work, but they have yet to be realized.

11) In early February 2001, this writer organized a Washington conference on "Myanmar: Nexus on the Bay of Bengal" at which about 150 people attended, including a number of ambassadors. The purpose was to illustrate to the incoming Bush administration the strategic importance of Myanmar in China-India relations. At least in public policy perceptions, it had no measurable effect.

joined ASEAN in July 1997 but was repugnant to the U.S.<sup>11</sup> Change in U.S. policy toward Myanmar moved from “regime change” under Presidents Clinton and Bush to what might be called “regime modification” under President Obama. That positively affected U.S. policy toward ASEAN. President Bush had first appointed an ambassador to ASEAN, although he was based in Washington, but President Obama gave it more focus in the region, upgrading the level of U.S. participation in many ASEAN meetings. Although the rebalancing is said to cover both North-east and Southeast Asia, it is in the latter region that the U.S. has demonstrated more strategic engagement.

The rebalancing policy in East Asia has both fundamental and practical aspects and problems based both on history and new needs. As Kissinger has pointed out in his new volume, *World Order*,<sup>12</sup> the Western concept of international relations based on the more or less equality of nation-states under the Westphalian model of 1638 was not the traditional Chinese approach to foreign policy. There, China was the central power in an elder brother-younger brother set of international relations under a Sino-centric intellectual and policy system in which trade was in part disguised as tribute. The residual influence of that approach is difficult to erase even in the modern world. So there are some conceptual differences in building a universally acceptable international relations architecture in East Asia. History is also critical because the nationalism so apparent in the region (and one might add in the United States) reinforces traditional Chinese claims of territory (e.g., the South China Sea) and traditional spheres of influence (e.g., much of mainland Southeast Asia).<sup>13</sup>

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12) Henry Kissinger, *World Order*. New York: Penguin Press, 2014.

13) Until the mid-1950s, PRC maps included much of northern Burma/Myanmar as Chinese territory, as did the previous Kuomintang (Nationalist) government.

But the older system of balance through military power alone is far less relevant today, where balance is better maintained through building an interlocking system of economic ties and institutions that are less subject to extreme nationalistic sentiments and more likely to be enduring. Such institutions, however ineffectual they may be in their early stages of formation, have greater promise for continuity over time. The frustration of many of the inability of ASEAN or its derivative, the ASEAN Regional Forum (ARF), to consider, let alone resolve, the past territorial disputes between Thailand and Cambodia and Thailand and Myanmar are examples of a weak organization in its formative stages, even after close to half a century of existence. But a forum for public discussions and private dialogue is exceedingly useful, and ARF has an advantage as it includes most nations in the region. Economic policies alone, at least those that are solely negative such as sanctions, do not seem to produce the desired effects of forcing international compliance—witness sanctions against North Korea or Myanmar (Burma), let alone Cuba.

Efforts by the U.S. to exclude China from such regional architecture will be unlikely to succeed, and further feed insecurity, while Chinese efforts to exclude Japan or the U.S. are likely to provoke similar reactions. Both approaches undercut better relations and the necessary stability of the region. The Trans Pacific Partnership (TPP), first proposed in 2005 as the Trans-Pacific Strategic Partnership Agreement, effectively excludes China, which may not have been its intent, as China did express interest in it in 2013, while Japan only joined negotiations on it in 2013 and has major problems with agreeing to its conditions.<sup>14</sup> Perhaps to counter this exclusion, China proposed that same year an Asian

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14) Since President Obama lacks trade promotion authority from the Congress, this is unlikely to pass during his second term unless that authority is reinstated.

Infrastructure Investment Bank, perhaps because of the domination in the region of the World Bank and the Asian Development Bank (the latter led by Japan). China and twenty other states, including India, Malaysia, Thailand, Vietnam, and the Philippines have signed on but South Korea, Japan, Indonesia, or Australia have not yet. “The U.S. has campaigned against the project.”<sup>15</sup> China has long smarted under the World Bank voting regulations that give the U.S. 18 percent while China has 4 percent. China is, however, in two other regional groups: APEC and the ASEAN Plus Three. Perceived adversarial domination by the U.S. in the region has not been confined to China. Prime Minister Mahathir of Malaysia in 1990 proposed an East Asia Economic Caucus that would have excluded the U.S., but this was never instituted. If the U.S. wishes to exclude China from any regional architecture, that policy would be counter-productive. The U.S., instead, may want China to abide by “internationally accepted” norms and values in economics as in other fields, although those norms have essentially been set by the West and the United States (by the “hegemonic” power in the region, as seen by the Chinese), thus creating singular tensions. But no Asian state wants to be in a position of having to choose between China and the United States, and for either of those powers to encourage such action would be counterproductive to both and to the region.

Further, the East Asian disputes in both the northern and southern regions of East Asia are detrimental to both the rebalancing and integration. Resolution of these issues should be the eventual goal of such rebalancing, although in the short term that seems a distant hope of Korean–Japanese agreement. Dokdo (Takeshima) Island and the comfort women disputes are detrimental to regional stabili-

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15) Author, “Title of article,” *The New York Times*, October 25, 2014. Others, including South Korea and Australia, may join under certain, unspecified conditions.

ty and U.S. rebalancing. South Korean efforts to spur U.S. commitments to its claim over Dokdo by effectively lobbying in the U.S. are more than ineffective—they are detrimental to overall Korean U.S. relations. Encouragement of Comfort Women memorials is another ineffective spur to better relations, as are Japan's efforts to consider revoking the "apology" on that subject. The South China Sea "nine-dash" line of sovereignty, taught in Chinese schools, stir vigorous resentments in the riparian nations in that area. The Sino-Japanese dispute over the Senkaku (Diaoyu) Islands will not easily be resolved. One might argue that all these are fostered by historical feelings of vulnerability that virtually force an appeal to heightened national sentiment as part of the legitimation process of regimes. In that sense, the elites may be captive to popular nationalistic movements.

Initiatives might be taken to mitigate some of these issues—measures that might be proposed that, even if they had no immediate effect or outcome, might begin to provide reassurance to China and the region and to plan to accomplish positive results. For example, the Six-Party Talks have been abandoned by the various parties and have not proven to be effective. This is because they have been based on a single premise—attempting to halt, contain and/or abolish North Korea's nuclear military potential. It seems evident to this observer that North Korea will not give up its limited nuclear capacity under present international relations and fears, although it may be willing at some stage to subject it to international inspection and surveillance. It seems to consider that it is an insurance policy against foreign intrusions or invasion, and wants status as a nuclear power. (This "model," however inexact, may have prompted former General Than Shwe in Myanmar to consider copying such an approach). Even if that insurance policy rationale is dubious, as this observer believes long-range North Korean artillery capable of devastating Seoul is the real insurance against hostile action against

North Korea, the stalemate in those talks will continue. Rather, the discussions should now refocus on needed dialogue among all six that might begin to defuse the Korean–Japanese imbroglio and bring China in more constructively. The Six-Party Talks might begin by focusing on the regional issues that demand cooperation. These could include pollution of the Yellow Sea and other seas, air pollution, deforestation, unauthorized migration, health epidemic resources, tsunami and earthquake disaster readiness, and other issues affecting the region as a whole. Progress in any of these areas could lead to a floating, perhaps even a permanent, set of dialogues that could yield productive results, and an eventual peace treaty in Northeast Asia. Secretary of State Kerry has indicated that the U.S. position is that it will not engage in talks simply to have talks, and they have been devoted to nuclear issues, but that may be shortsighted.

In a sense, the Northeast Asia Peace and Cooperative Initiative<sup>16</sup> of President Park Geun-hye, which is based on her Dresden speech in May 2013 and includes all the Six-Party Talks' countries and Mongolia, contains some such elements. Although lacking any detailed plan, it does have the potential for moving forward in a wide variety of needed fields, such as those outlined above. It is, of course, based on what she has called “Trustpolitik,” or the building of trust that has been completely lacking in North–South Korean relations, and it is just this lack of trust, and the need for reassurance that the United States through its rebalancing initiative supplies Japan and South Korea, and that is inimical to North Korea. Thus the dilemma continues.

In general, the “rebalancing” if even only in rhetorical terms or in symbolic actions, has reassured the traditional friends of the U.S.

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16) “The Northeast Asia Peace and Cooperative Initiative. Moving Beyond the Asian Paradox towards Peace and Cooperation in Northeast Asia.” Seoul: Ministry of Foreign Affairs, 2013.



that whatever the commitments that the U.S. may continue to have in the Middle East, and they are likely to be extensive over prolonged periods, and however limited the U.S. defense budget may be, the importance of East Asia to the U.S. remains of critical concern. But the policies that attempt to isolate or exclude China are also not likely to be effective in bringing stability to that region—a stability that seems in the interests of all the nations of the Pacific and beyond.

There are several important challenges in the region—to those nations in the area separately and together, and to the U.S. Each of the states in the area must be able to reassure China that in the new era the alliances with the United States are indicative of an earlier era of fear that is in the process of change, and that this change could be accelerated if China moves to reassure those countries of its valid but nonaggressive economic and military interests. At the same time, it is important that China understand that its valid security and economic concerns can best be met through policies that do not intimidate peripheral states. China did that in 1960 with its border agreement with Burma that was specifically designed to demonstrate to the world China's peaceful intent in the region.<sup>17</sup> Negotiations with the Philippines and Vietnam are especially important now.

The United States needs to foster inclusive institutions and agreements that will reassure China that the U.S. is neither intent on hostile acts against China nor that it is furthering a climate of fear of China both in the region and to the American people. It must understand that the policies of most countries in the region, many of which have strong articulated elements of intense nationalism

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17) David I. Steinberg and Fan Hongwei. (2012). *Modern China–Myanmar Relations: Dilemmas of Mutual Dependence*. (Copenhagen: Nordic Institute of Asian Studies. 55–68.

and unarticulated fears of vulnerability based on historical events, are based on historical events. Pluralistic and authoritarian states in the region will both draw upon those attitudes to formulate policies that may be inimical to tranquility in the region. The U.S. must be sensitive to these powerful forces, and thus understand their historical origins. Any attempts by the U.S. to exclude China from any present or proposed regional architecture in Northeast or Southeast Asia are likely to be counterproductive. Whether or not China responds to such approaches in the immediate future is less important than the longer range value of such ameliorative actions. Critical, however, is avoiding the hubris of thinking that foreigners can “manage” China’s prominence, as expressed by former Australian Prime Minister Kevin Rudd: “How do we ensure we manage the rise of China in a manner which provides a long-term peaceful and stable relationship with the United States.” (emphasis added)<sup>18</sup> President Obama gave too much credit to U.S. policies for changes in Myanmar in his May 2014 foreign policy speech at West Point.

ASEAN considers itself as central to the region. But is China trying to divide ASEAN on the issues of the South China Sea and is the U.S. trying to do the same on the TPP? Whether or not either proposition is accurate, what are the perceptions in the region and how do they affect the attitudes toward the role of the U.S. and rebalancing? The answers are critical, yet unclear.

Even in the most dangerous of potentially explosive regions—that of North Korea, understanding of the North’s obvious vulnerability that results in its bellicose and braggadocio historical claims, statements, concepts such as *juche*, and even military posturing and actions, is required to be regarded for what they actually are—

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18) On his announcement as head of the new Asia Society Policy Institute. Rick Gladstone, “Former Leader of Australia to Study Asia in a New Way,” *The New York Times*, October 21, 2014.

repulsive but anemic (if sometimes lethal) responses to its unstated but vulnerable position. Although they cannot be ignored, neither should they cut off dialogue.

Is it possible to evaluate the rebalancing policy? That policy is a process, not an event or terminus, and thus consideration of its effectiveness in terms of its goals must be as shifting as the East Asian conditions themselves. Success or failure, in addition, are not relevant terms, for they suggest a dualism that is rationally inaccurate for these varied policy initiatives, and the changes, positive or negative, exist along a spectrum. Further, the relatively new policy must be combined with its execution over a number of years. So any admittedly preliminary assessment of the six elements of the rebalancing policy is hazardous.

Have the goals of the rebalancing policy proven to be advanced to date? Have alliances been strengthened? Perhaps only in the Philippines and Australia, and in Thailand there has been deterioration of relations. Improved relations with emerging powers (China) have not occurred. Economic statecraft is in flux, and relations with multilateral institutions, more specifically ASEAN, have been strengthened. Included in the rebalancing policy is the affirmation of "universal values." This often puts the U.S. in a position of trying to balance domestic U.S. and international pressures for better governance and human rights with other foreign policy objectives. Perhaps this is a tension that cannot be resolved: complete dedication to such altruistic policies (in Burma/Myanmar, for example) places the U.S. in the modern garb of the 19th century missionaries, and yet ignoring these needs loses whatever higher moral ground the U.S. has sought. This is likely to be a continuing problem for the United States. Balancing these antithetical elements does require the adeptness of a tight rope walker.

But part of the rebalancing is also predictability. Such assurances of continuing U.S.' effective commitment to the region are needed not

only in the public dialogue, but also in concrete policy initiatives followed by the desired actions. All of these are affected by internal U.S. politics and financial considerations. In spite of statements of continuity, there are many in Asia who worry about the predictability of the U.S. in the region. The 2014 Republican control of the Congress creates questions on how much the U.S. is prepared to implement “rebalancing.”

So the balance sheet on rebalancing is as yet unclear. But as the Hippocratic Oath says “do no harm,” so an effective balancing act in East Asia must not be simply formalistic or confrontational. What happens if the rebalancing is perceived to be ineffectual or if there is a regression of U.S. interest or involvement in the region? The results are likely to be dire, especially in Northeast Asia. If one assumes that North Korea will keep some form of even elementary nuclear capacity, and if there is an appearance of a U.S. withdrawal from its protective position for Japan and South Korea, it would seem almost inevitable that both states would engage in an arms race that would raise the level of potential threat, error, and disaster in the region. Inclusive in such a dangerous scenario would be the role of Taiwan, and its potential for joining such a race. So whether one believes that the rebalancing is important, until there are critical changes in threat perceptions and vulnerability, and institutions have been built to cement inclusive relationships, this writer believes that the U.S. role is critical—whether called rebalancing or continuing its regional role. The danger to the U.S. is not that its foreign policy establishment will advocate withdrawal or neglect, but that an impatient and disaffected Congress, reflecting popular discontent at home, may opt for some easy but disastrous withdrawal from positive East Asia activism, or a militancy perceived as directed against China. Either would be detrimental to both U.S. national interests and the stability and progress in the states of the region.

## U. S. Rebalance to Asia and China's Responses

*Ren Xiao*

It was during the time of the Eisenhower Administration when The Asia Foundation was created in 1954 to advance the mutual interests of the United States and the Asia-Pacific region. A few years later, the outgoing U. S. President Dwight Eisenhower warned of the risks of a powerful “military-industrial complex” in the U. S. Today the specter of a “military-industrial complex” still haunts and this can be seen behind the various U. S. government moves, including the “air-sea battle” idea and the related steps. However, it would be incorrect to argue that the “military-industrial complex” is the driving force of all U. S. governmental acts. After all, leaders have a certain degree of “autonomy” in the making of decisions, although Barack Obama’s motive for “change” was quickly offset not long after he had moved into the White House. In the foreign policy arena, the “relative autonomy of the state” is reflected in the Obama Administration’s adoption of a major initiative to rebalance toward the Asia-Pacific region.

This is an initiative of strategic importance that the Obama Administration took. The rebalance has ignited various reactions from the region, in which China is a key player. Inevitably, China has been a conspicuous part of the whole action-reaction picture. How China responds to the rebalance strategy adopted by the U. S. has significant implications for the Sino-American relationship and for the region as a whole. This paper attempts to analyze China’s responses to the U. S. “rebalance” and the views held by Chinese policy analysts. It concludes with some of my own analyses.

## A Real Change?

Barack Obama, during his presidential campaign, famously used “change” as his major slogan. The loud rhetoric disappeared shortly into his first term as President of the United States, and in fact Obama himself was changed by the existing political system and political games in Washington. However, the “pivot” to Asia emerged as a genuine change his administration attempted to make. Early on, during George W. Bush’s second term, cautions had already been raised against the “neglect” of the Asia-Pacific, which was seen as a result of the two ill-conceived wars in Afghanistan and Iraq, to which the U.S. devoted enormous resources at the expense of its hard and soft power. The voice was made vis-a-vis the perceived continual rise of China and the growth of China’s influence in the region. In this context, some policy adjustments had been made during Bush’s second term. In January 2009, Barack Obama came into office and the major changes he made included the decision to withdraw U.S. troops from Iraq as was announced during his presidential campaign.

Given the growing importance of Asia for the United States economically and strategically, the Obama Administration initiated a strategic policy change toward the Asia-Pacific region, and this can be seen in two phases. Soon after his coming into office, President Obama declared that the United States “is a Pacific nation” and he wanted to be a “Pacific president.” Not long after, the term “pivot to Asia” was picked to characterize this strategic adjustment, especially by the two architects of this new strategy, namely, Secretary of State Hillary Clinton and Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell.

According to a U.S. Senate Majority Staff Report, “Building on efforts in 2009 to focus additional attention on the Asia-Pacific region, the Obama Administration in the fall of 2011 and early 2012 formally announced that it would intensify the role of the United States in the Asia-Pacific region. To do so, it sought to raise the region’s priority in U.S. military planning, foreign policy, and economic policy.”<sup>1</sup> This first phase was characterized by the use of “pivot to Asia” and Secretary of State Hillary Clinton’s major October 2011 *Foreign Policy* magazine article “America’s Pacific Century.”<sup>2</sup> It was announced as a new strategy for the Asia-Pacific region, and it has often been emphasized that the United States is a resident Pacific power and is actively engaged on the full spectrum of issues in the region.

Given that “pivot” implied an abrupt shift from the Middle East or Europe to Asia and thus triggered some speculations or even misunderstandings among America’s allies or partners, the Obama Administration later changed its rhetoric to “rebalance” as the new chosen term without actually changing its essence. The State Department’s FY2013 Congressional Budget Justification for Foreign Operations refers to the Obama Administration’s rebalancing policy as a principal driver of its objectives in the region, “In order to advance the administration’s pivot to East Asia and the Pacific, the U.S. Government will maintain a presence in the region as a prominent trade and investment partner, security guarantor, and example of democracy and

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1) Rebalancing the Rebalance: *Resourcing U.S. Diplomatic Strategy in the Asia-Pacific Region*, A Majority Staff Report prepared for the use of the Committee on Foreign Relations, United States Senate, April 17, 2014, 7.

2) Hillary Clinton, “America’s Pacific Century,” *Foreign Policy*, October 2011.

3) Committee on Foreign Relations, “*Rebalancing the Rebalance: Resourcing U.S. Diplomatic Strategy in the Asia-Pacific Region*,” 113<sup>th</sup> Congress, Second Session, 2014, p. 8.

good governance.”<sup>3</sup> While these are all long-term U.S. objectives, the self-identity of “security guarantor” is particularly interesting since this drives many U.S. acts in the region.

Eventually, the word “rebalance” was adopted as the new and more “official” term. Thus, “rebalance” became an official brand of the new U.S. strategy toward the Asia-Pacific, which became well known throughout the region.

### **China Responds**

For China, the U.S. has long been the top world power to handle relations with. Naturally, the Chinese analysts were quick to take notice of the U.S. policy change and try to analyze its implications which would no doubt be complex.

As a major U.S. strategic adjustment, the rebalancing to Asia act to some extent is understandable given the importance of the region for the United States. Economically, the Asia-Pacific is the most dynamic region in today's world. The center of gravity of the world economy is shifting to this region. If the United States wants to substantively expand exports, double U.S. exports in five years as it was declared, and create job opportunities domestically, the United States has to engage with the region.

Strategically, China is rising to a great-power status. As always, a predominant power aspires to maintain its predominant status as long as it can. In the case of today, the U.S. decision-makers do not want U.S. primacy to be undermined in whatever way by the new developments. When they look around the world, they are thinking of China and the



implications of China's rise. Therefore, inevitably China has become a part of the rebalance picture.

Diplomatically, back in the second term of George W. Bush, there already were voices criticizing the U.S. Administration for being indulged in the two wars in Iraq and Afghanistan, and being distracted by the military operations there. As a result, the Asia-Pacific region was neglected. This criticism attracted attention in the U.S. policy community and to some degree alerted the future administration officials.

Not surprisingly, the pivot/rebalance strategy caught many people's eyeballs in China, and apparently it was something they needed to seriously think about. The central question many Chinese observers seek an answer for tended to be what China's place was in this strategy. Others asked more bluntly: was this strategy made against China? Basically, three viewpoints have sprung up.

One viewpoint focuses on the changing relative balance of power between the United States and China. For some observers, during Barack Obama's second term, it is likely that China will overtake the U.S. to become the world's largest economy. This change, even in purchasing power parity (PPP) terms, will turn China into a half superpower. And this means that if China desires, it will be more likely to accomplish some things based on its capability and does not have to wait ten more years. By contrast, as the second largest economy that supports the largest military in the world, continuing U.S. "rebalance" to the Asia-Pacific would become more difficult since its ability would fall short of its

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4) Sheng Dingli, "Zhongguo wuxu danyou 'zai pingheng', [China doesn't need to worry about the 'rebalance']" November 20, 2012.

own wishes.<sup>4</sup> No matter what the U. S. is doing in the surrounding areas of China and what trouble this is causing for China, the overall trend will not change. Thus, while the U.S. is rebalancing, its spirit is willing but the flesh is weak (*xin you yu er li bu zu*). It is not possible for the U.S. to mobilize the enormous financial and human resources that are required for such a strategy to be sustainable. The imbalance between purpose and capability is the U.S.' fatal weakness. Thus, it is inevitable for the strategy to be adjusted or become stalled.<sup>5</sup> Worse, the "rebalance" has been hijacked by the U.S. military-industrial complex and this has led to the militarization of the U.S. "return to the Asia-Pacific" strategy. This will consequently jeopardize its opportunity to harness the potential economic dividends in Asia.<sup>6</sup> Meanwhile, there is also a danger that the U.S. Asian allies are inducing U.S. involvement to come to their aid by wagging the tail of the American dog.

The second school of thought is much more alarmist in terms of the implications of the rebalance. For this group, China is clearly the target of the U.S. rebalance and of American efforts to step up deployments of military capabilities in the Asia-Pacific. To these analysts, the reinvigoration of U.S. alliances and expansion of security partnerships in the Asia-Pacific reflect a strategy of encircling and containing China.<sup>7</sup> This view pays much attention to the military elements of the rebalance, including the U.S. deployments in and military cooperation with the Asian nations.

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5) Yu Zhengliang. (2013) "Meiguo yatai zaipingheng zhanlue de shiheng [The Imbalance of the U.S. Rebalance Strategy in Asia]" in *Guoji guanxi yanjiu* [Journal of International Relations] No. 2, 3–12.

6) Ruan Zongze. (April 2013). "Meiguo 'yatai zaipingheng' zhanlue qianjing lunxi [The U.S. Rebalance toward Asia: Quo Vadis?]" in *Shijie jingji yu zhengzhi* [World Economics and Politics] No. 404, 4–20, esp. 13.

7) Philip C. Saunders. (August 2013). "The Rebalance to Asia: U.S. China Relations and Regional Security" *Strategic Forum*,

Its “air-sea battle” concept and strategy is particularly alarming since it is seen as chiefly targeting Chinese military.<sup>8</sup> In addition, since 2009, the U.S. Administration has been dominating and pushing forward the Trans-Pacific Partnership (TPP) negotiations in order to offset East Asian regional economic integration in which China is a part and the U.S. not. On the Asian Infrastructure Investment Bank (AIIB) that China initiated, the Obama Administration not only held a negative attitude itself, but also wanted some of its allies or partners in the region not to join. This confrontational posture has provided these analysts with more reason to be alarmist toward the rebalance.

The third and probably mainstream viewpoint is more sophisticated and nuanced. According to this school of thought, in the “pivot” or rebalance strategy, there is a major component which is indeed targeting China. But that is not all. China should not worry too much and should avoid overreacting to the U.S. rebalance.

For a senior researcher of the China Institutes of Contemporary International Relations, it is not entirely true that the “rebalance” is simply targeting China. Nor are the arrangements or deployments the U.S. is making just surrounding China as the central target. In fact, it is not feasible for the United States to only “pinpoint” China. In the 21<sup>st</sup> century, the Asia-Pacific region has become the hope of world economic development, and nations all want to bandwagon on rapid growth in the Asia-Pacific. Against this backdrop, the U.S. placing of its focus on this region was driven by the changing circumstances. This

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8) Fan Gaoyue. (Spring 2013). “Konghai yitizhan: meiguo zaipingheng zhanlue de zhongyao zhizhu [Air-Sea Battle: An Important Pillar of the U.S. ‘Rebalance’]” in *Waijiao guancha* [Foreign Affairs Observer].

time, the rebalance to Asia strategy resulted from a combination of motives in which the China factor might occupy 60%, but not 100% for sure. An objective judgment may be that China is somewhere between partner and adversary that the United States identifies. What China is pushing is for the two major powers to avoid becoming adversaries and strive to become partners.<sup>9</sup>

Meng Xiangqing of PLA National Defense University holds a similar view and argues that the China factor is one of the major considerations, or one of the main reasons, that have driven the U.S. rebalance to Asia. However, this is not the only purpose. Since rebalance is a major strategic move that comprehensively involves economic, military, and foreign policies, engaging with East Asian integration, reviving the U.S. economy, reshaping post-counterterrorism era military deployment, and sustaining the alliance system are all important reasons. Based on this judgment, overreaction to rebalance should be avoided.<sup>10</sup>

Still, Xiao Feng, a senior analyst at the Contemporary World Research Center, holds a two-fold viewpoint. On the one hand, along with the U.S.' high-profiled "return" to Asia, hot spots emerged in China's neighborhood and the external environment of peaceful development was facing a serious challenge. In essence, the U.S. wants to balance China's growing influence in

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9) Yuan Peng, "The U.S. 'pivot to Asia' cannot disrupt China's strategic opportunity period [ Mei chongfan yatai wufa zuduan zhongguo zhanlue jiyuqi ]" in *Cankao xiaoxi* [Reference News], December 17, 2012, 10.

10) Meng Xiangqing, "China in a key period of improving the security environment (Zhongguo chuyu gaishan anquan huanjing guanjianqi)" . *Cankao xiaoxi* (Reference News) December 14, 2012, 11.

the region. On the other hand, the U.S.' "return" in fact comes from its "strategic anxiety," and this is a kind of "employing offense as defense (*yi gong wei shou*)" behavior. Within it, a "strategic early warning" is a larger component than real military deployment. China does not need to worry too much and it can just be calm while being aware of the new developments.<sup>11</sup>

Based on his own examinations, Ruan Zongze, Vice President of the China Institute of International Studies, offered a positive evaluation of China's responses to the rebalance so far. For him, in fact, since the emergence of "rebalance," China has responded in a measured way and avoided meeting the United States head-on. Having played a smart game, China has cooperated when cooperation is possible and said "No" when it is necessary. More importantly, China has not danced in accordance with the U.S. rhythm but rather maintained consistency by proactively building a friendly external environment. This has contributed to the U.S. loss of momentum of the "rebalance".<sup>12</sup> Furthermore, for a researcher at the Chinese Academy of Social Sciences, the United States made use of some Asian nations' skepticisms and worries toward China's rise and lured them to join the Trans-Pacific Partnership (TPP) negotiations in order to compete for regional economic leadership. Through the TPP, the U.S. is attempting to dilute regional economic integration among the Asian countries and grab trans-Pacific economic leadership.<sup>13</sup>

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11) Xiao Feng, "Mei chongfan yazhou zhanlue yu zhongmei guanxi zouxiang [The U.S. 'Pivot to Asia' Strategy and the Future U.S.-China Relations]" *Dangdai Shijie* [Contemporary World]. No. 1, 2013, 30–31.

12) Ruan Zongze, "The U.S. Rebalance toward Asia: Quo Vadis?"

13) Zhou Fangyin, "Meiguo de yatai zhanlue tiaozheng yu zhongguo de yingdui [The U.S. Asia-Pacific Strategic Adjustments and China's Reactions]" *Dangdai shijie*, [Contemporary World]. No. 12 (2011), 68–70.

This author holds a “sympathetic understanding” of the U.S. rebalance to Asia and its objectives, and he shares a number of the analyses made by the mainstream Chinese scholars. To some extent, the recent changes of the geopolitical landscape in East Asia resulted from the U.S. and other nations’ reacting to China’s rapid rise. The question is the U.S. rebalancing to Asia has resulted in negative consequences. The chief one among them appears to be that the rebalance has exacerbated mutual distrust between China and the United States. The trend of mutual perception is a worrisome one. For China, quite a few problems that emerged in China’s neighborhood are related to, if not because of, this U.S. strategy. The Obama Administration has been bolstering the U.S. alliance with Japan and encouraging the latter to play a larger security role in the Asia-Pacific. Washington also nudged Tokyo to reinterpret the constitution to allow the excise of “collective self-defense” and therefore a larger security role. It has in effect taken side on the Diaoyu/Senkaku dispute by stating that the issue is subject to the U.S.–Japan security treaty. Washington was behind the Philippines in challenging China in the South China Sea by supporting the latter to issue a lawsuit against China’s U-shaped line and by providing weapons to the Philippines as well. Out of an unfriendly motive, Washington has taken measures to upgrade its relations with Vietnam, including by exporting military equipment to the latter, and so forth. In a word, under the banner of rebalance, Washington has taken actions in attempt to counterbalance, if not contain, China and China’s influence in the region..... However, many question whether these actions can effectively serve U.S. strategic goals.

On the U.S. side, Washington perceived Beijing to have become more assertive, if not aggressive, probably since 2009, in its

relations with other Asian countries. China handled the 2010 Diaoyu strife, which sprang from the incident where a Chinese fishing boat rammed a Japanese Coast Guard vessel, in a heavy-handed manner. After the breakout of a more serious crisis in September 2012, China attempted to change the status quo by continuously sending its coast guard ships to the Diaoyu/Senkaku waters and by announcing an air defense identification zone (ADIZ) over the East China Sea, and so forth. For quite a few American observers, China somehow has a “master plan” to drive the United States out of Asia and seek hegemony in the region. Recently, there was a sense of anxiety in the U.S. policy community about what China would do “next.” This is not a healthy situation of U.S.–China mutual perception.

### **Conclusion: Needing a Strategic Reassurance**

For Robert Ross, a leading U.S. China watcher, the shift called a “pivot” to Asia was based on a fundamental misreading of China’s leadership.<sup>14</sup> For Ross, “The new U.S. policy unnecessarily compounds Beijing’s insecurities and will only feed China’s aggressiveness, undermine regional stability and decrease the possibility of cooperation between Beijing and Washington.” The right China policy, the argument goes, would assuage, not exploit, Beijing’s anxieties, while protecting U.S. interests in the region. However, this view may not be widely shared in the Washington policy community.

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14) Robert S. Ross, “The Problem with the Pivot,” *Foreign Affairs*, 91(6), November/December 2012.

Anyhow, the United States should not think that everything China is doing is to exclude the former from Asia. China does not have to do that but it wants to be fairly treated. China has reasons to be disappointed about the slow pace, if not deliberate obstruction, of the necessary reforms for better global governance, which are required by the changing distribution of power. In 2010, an agreement was reached for share or voting power transfer at the international financial institutions to reflect the changed distribution of economic power in the world. This would give the emerging powers a larger share at the International Monetary Fund (IMF) and the World Bank. Four years later, the reform was still in limbo. The reason was the U.S. Congress refused to take the bill to the floor even though the Obama Administration held a positive attitude and the U.S. would still control the veto power even if the reforms had been implemented. Apparently the reform became a victim of the U.S. domestic political problem. This reality prompted Ms. Lagarde, Managing Director of the IMF, to dramatically warn of a “move” of the IMF’s headquarters from Washington to Beijing.

On another matter, China initiated to create an Asian Infrastructure Investment Bank (AIIB) to partially meet the huge demand for infrastructure construction in the Asian countries, a way to provide a public good. Being skeptical of China’s motive and seeing AIIB as a possible competitor to the Asian Development Bank (ADB) which Japan and the United States dominate, the Obama Administration tried to caution some of its allies in the region against joining the initiative. To set up an obstacle to a public good was not a constructive step. The AIIB is supposed to complement the World Bank and ADB since their capacity cannot meet the high demand for development in Asia. Given that AIIB should not and cannot be boycotted, it is likely that



more nations, including Indonesia and South Korea, will join the new development bank by the time it is scheduled to be launched by the end of 2015, while Australia is another possible AIIB member state.

In the context of U.S.–China mutual suspicions, the Xi–Obama summit at Sunnylands, California, in June 2013 was a timely and constructive exchange to mitigate this negative trend and achieve better communication at the highest level of the U.S. and Chinese leaderships. A similar dialogue took place in Beijing during Obama's state visit to China in November 2014, right after the APEC leaders' meeting, in an effort to manage the U.S.–China relations for constructive purposes. Washington and Beijing need to more successfully reassure each other at the strategic level regarding their intentions and become more relaxed toward each other. Under the changing circumstances, the two powers have to adapt to each other over a fairly long period, and a new model of relations that defies the claimed "inevitable clash" has to be built.

Overall, China estimated the U.S. rebalance to Asia in a cool-minded manner, and tried not to overreact to the rebalance. On the U.S. side, there have been some changes during Obama's second term including different teams are in place at the Departments of State and Defense, and this has a subtle impact on the rebalance which appears less aggressive. Today, the world is changing fast. The "Islamic State" is rampant in Iraq and Syria. Libya is in chaos. President Xi and Obama discussed how to jointly fight the Ebola epidemic, and the two governments reached an important agreement on climate change..... After all, this is not a black-and-white but rather complex world. Perhaps a "rebalancing the rebalance" policy needs to be put on the Obama Administration's agenda, and a strategic reassurance is needed between China and the United States.

## America's Rebalancing to Asia: Challenges and Opportunities

*Kim Sung-han*

### *1. America's Rebalancing to Asia: Objectives and Effectiveness*

While the United States was preoccupied with Afghanistan and Iraq, Southeast Asia became a target of China's charm offensive. China agreed on an FTA with ASEAN and joined the Treaty of Amity and Cooperation in Southeast Asia in 2002 and 2003, respectively. China tried its utmost efforts to win the hearts and minds of the Southeast Asian leaders and peoples. Its upgraded public diplomacy was focused on selling the idea that China will not be a threat to other nations. Around 2006, it was almost impossible to hear any Southeast Asian leaders question China's rise which was a sharp contrast from only five years prior.<sup>1</sup>

While the United States was severely hit by the financial crisis of 2007-08, China managed to withstand the crisis and its diplomacy became more assertive and aggressive to the United States. Right after the financial crisis took place, People's Liberation Army (PLA) officers of China appeared on China Central Television (CCTV) and openly criticized U.S. military activities in the Western Pacific. In 2009, top Chinese leaders stopped talking about a "peaceful rise of China." At the same time, they tried to pursue the East Asian Community (EAC) based on ASEAN plus Three (APT) that excluded the United States.

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1) Joshua Kurlantzick.(September 2006,) "China's Charm Offensive in Southeast Asia," *Current History*. 270-276.

It was around 2010 when the Obama administration began to consider a “pivot to Asia” which had been put on the back burner. Having realized the United States was losing ground in East Asia, the Obama administration began to turn its eyes to the region in the second half of 2010. In this light, a major driving force for America’s rebalancing toward Asia was a growing Chinese influence in East Asia.

Against this backdrop, the Obama administration has come to put forward the new directions of its Asia-Pacific strategy. The core elements include: (1) deepening alliances, (2) responding to China’s resurgence, (3) strengthening cooperation with ASEAN, and (4) a growing interest in the Asia-Pacific regionalism.<sup>2</sup> With respect to alliance policy, Washington is fostering comprehensive and strategic alliances geographically and substantially to respond to the new security threats of the 21<sup>st</sup> century. In addition, the United States is maintaining a policy of cooperation mixed with competition toward China. Regarding its policy on troop stationing and cooperation in East Asia, the United States is trying to preserve a “balance” between alliances and regionalism, rather than giving sole priority to alliances.

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2) Much of the ‘pivot’ to Asia is a continuation and expansion of policies already undertaken by earlier administrations previous to Obama, but there is a number of new aspects of the shift. The most dramatic lie in the military sphere. As part of a plan to expand the U.S. presence in the southwestern Pacific and make it more flexible, the Obama administration has announced new deployments or rotations of troops and equipment to Australia and Singapore. U.S. officials have also pledged that planned and future reductions in defense spending will not come at the expense of the Asia-Pacific. Additionally, underlying the ‘pivot’ is a broader geographic vision of the Asia-Pacific region that includes the Indian Ocean and many of its coastal states. Mark E. Manyin, “Pivot to the Pacific? The Obama Administration’s Rebalancing toward Asia,” *CRS Report for Congress*, March 28, 2012.

It is somewhat early to assess the effectiveness of America's rebalancing strategy to Asia at this juncture, but it is showing moderate success. Firstly, U.S. alliance policy is well-functioning as demonstrated by deepening alliances with the Republic of Korea (ROK) and Japan, and closer military cooperation with Indonesia, Vietnam, and the Philippines. As a hegemon being challenged by China, the United States should prevent its allies from "defecting" to the challenging great power, or China. So far, this kind of "alliance transition"<sup>3</sup> has not taken place, which implies that the relative decline of U.S. hegemonic status is being supplemented by a strong network of U.S. alliances in the Asia-Pacific region.

Secondly, the United States is involved in competition with China for maritime supremacy although it is still maintaining overall military superiority to China. U.S.-China strategic rivalry is most conspicuous in the area of maritime strategy. China has steadily modernized and reformed its military by developing stealth fighter jets, strengthening naval capabilities centered on nuclear-powered submarines, and building anti-ship missiles. The issue of maritime supremacy is likely to touch off intense competition between the United States and China. The United States has a great deal at stake in the South China Sea. It is one of the world's primary trade arteries, with half of the world's merchant fleet by tonnage sailing through those sea-lanes each year. The region also contains an abundance of fish and potentially contains significant quantities of oil and gas resources strategically located near large energy-consuming countries.

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3) Woosang Kim.(1991.) "Alliance Transitions and Great Power War," *American Journal of Political Science*, 35(4). 833-850.

With global energy demand rising, however, major consumers such as China are seeking new sources to satisfy their expanding economies. In 2009, China became the second largest consumer of oil after the United States, and its consumption is likely to double by 2030, which would make it the world's largest oil consumer. In 2010, China imported 52 percent of its oil from the Middle East, and Saudi Arabia and Angola together accounted for providing 66 percent of its oil imports. China has been diversifying its energy suppliers to reduce this dependence upon imported oil and has sought to increase offshore production around the Pearl River basin and the South China Sea. It remains to be seen whether China will continue to respect the U.S. position that opposes the use or threat of force by any claimant and insists on unimpeded commerce, freedom of navigation, and open access to Asia's maritime commons.

Thirdly, U.S. military cooperation with ASEAN is taking a unique feature since it is aiming at U.S. leadership in the multilateral confidence-building mechanism. The inaugural meeting of the Asian Defense Minister Meeting Plus (ADMM-Plus)—10 ASEAN countries, Australia, China, India, Japan, South Korea, New Zealand, Russia, and the United States—was held in 2010 in Hanoi. Its proposed focus areas included Humanitarian Assistance and Disaster Relief (HADR), military medicine, maritime security, peacekeeping, and counterterrorism. The main focus over the past few years has been made on HADR and military medicine. There was an unprecedented military exercise in June 2013 in Brunei involving seven ships, 15 helicopters, and more than 3,000 personnel from 18 different countries. It made a big progress in the sense that ships and forces from Japan, China, Singapore, the U.S., Vietnam, and India worked together and showed the potential of ADMM-Plus to develop into a meaning-

ful confidence-building mechanism. Now, they are trying to move to the area of maritime security which is becoming more contested particularly in the East China Sea and the South China Sea. They can start with an exchange of information on commercial shipping and move on to naval ships later.

Finally, the United States prefers the hub-and-spokes approach traditionally, but it joined the East Asia Summit (EAS) in 2011. The Obama administration believes that East Asian regionalism should not be centered only on the ASEAN+3—it must be broadened to Asia-Pacific regionalism that includes the United States, Australia, New Zealand, and India. In this light, the EAS is now more than a simple expansion or reorganization of the ASEAN+3—one can say it has been upgraded to a global framework for political and security discussions in which the world's four great powers, the United States, China, Japan, and Russia, are participating. The international political implications of U.S. participation in the EAS, in particular, are quite significant. This is the first time the United States is taking part in a multilateral framework that it did not initiate.

## *2. Challenges for America's Rebalancing*

### **Emerging Great Power Politics in Asia**

When great powers play in a region, one of five possible orders is likely: (1) hegemony, (2) balance of power, (3) concert, (4) collective security, or (5) a pluralistic security community. East Asia is the region most likely to see a hybrid of hegemonic balance of power and a concert, while it depends ultimately on the U.S.–China relationship. For now, it is rather premature to talk

about the feasibility of a pluralistic security community or collective security in East Asia. A hegemonic balance of power system is one in which a single great power plays a leading role managing regional security relations and the great power may adopt a “balancer approach.” The United States is most likely to fit this role. In order to move toward a concert, we also need to create and develop a cooperative security mechanism that starts from a multilateral security dialogue that includes both great and small powers in the region.

Since the United States declared its “Rebalancing to Asia” in 2011, however, great power politics have been unfolding throughout the region. Great powers—the United States, China, Japan, Russia, and India—are trying to protect their own interests by threatening, rather than cooperating, one another with military, economic, or political means. U.S.-led hegemonic balance of power appears to be being challenged by emerging great power politics in the region.

In this vein, the China–Japan relationship is giving some concerns to the United States, which finds it more difficult to balance between China and Japan. In East Asia, the U.S. has played a dual role, one of which is to prevent China and Japan from moving into a military confrontation. The other role is to be aligned with Japan to prevent China from attempting to alter the status quo in the region. But, the China–Japan relationship is on the verge of going beyond the limit controlled by the United States and it shows a higher probability of a military clash than ever before.

China believes it has overtaken Japan in terms of national power since 2010 when the Chinese GDP surpassed the Japanese, but

Japan is reluctant to accept it. At the World Economic Forum in January 2014, Japanese Prime Minister Shinzo Abe compared the Japan–China relationship with the UK–Germany relationship before WWI.<sup>4</sup> At this juncture, Japan is seen to be involved in “encircling” China. Japan tries to deal with the rise of China through “external balancing” (that strengthens its security relationship with the U.S., Australia, India, and South Korea) and “internal balancing” that increases its defense expenditure. On the other hand, the ongoing military and coast guard stand-off around the Senkaku/Diaoyu Islands risks a serious clash. China’s moves in the East China Sea send worrying signals to those countries around the South China Sea, while Japan is supporting these nations politically and materially (e.g., providing assistance to beef up the coast guards of Vietnam, Indonesia, and the Philippines).<sup>5</sup>

The China–Russia relationship also has a distinct feature in the sense that their strategic partnership is being consolidated against the United States. In the 2011 Levada Center polling, 29 percent of Russians saw the U.S. as an enemy, while only 9% of them chose China. In 2012, 35 percent of Russians picked the U.S. while 4 percent of Russians chose China as an enemy state. Russia, which respects the international order based on national sov-

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4) In fact, the Japan–China relationship is more akin to the France–Germany relationship at the end of the 19<sup>th</sup> century. France, after being defeated in the war with Prussia in 1870, became obsessed with isolating and taking revenge on Germany. While France was in a position to play a constructive role to lessen the growing tension between the UK and Germany, she decided to be aligned with UK to contain Germany, like Japan aligning with the U.S. to constrain China after being overtaken by China in 2010. If France tried to keep a certain distance from the UK–Germany hegemonic rivalry and the divided camps between the Triple Alliance (Germany, Austria–Hungary, and Italy) and the Triple Entente (Russian, France, and UK), she would have been able to prevent the emerging confrontation between pan-Germanism and pan-Slavism from leading to WWI in 1914.

5) Reinhard Drifflé. (July 28, 2014). “The Japan–China Confrontation over the Senkaku/Diaoyu Islands—Between ‘shelving’ and ‘dispute escalation’” in *Global Research*.



ereignty rather than liberal values, shares the common interest with China. China is interested in aligning with Russia to explore changes in the U.S.-centered Asian order although it is uncertain China will be sharing its leadership with Russia after the U.S.-led order has disappeared.

The China–India relationship is also attracting a lot of attention from the United States and its allies. India is in an advantageous position in that the United States tries to utilize India to constrain China and China attempts to take India apart from the U.S. India should strengthen its deterrent capability through nuclear and conventional weapon systems to deal with the growing gap of military capability between India and China. India also sees the need to treat China as a strategic partner in the transformation process from unipolar to multipolar international system.

### **Northeast Asian Paradox**

While the United States has renewed its attention to Southeast Asia and regional cooperation in the Asia-Pacific, it seems the United States does not give sufficient attention to Northeast Asia where four global powers (U.S., China, Japan, and Russia) and the two Koreas are located. Northeast Asia features a distinct paradox in that economic integration has been growing but political cooperation has remained stagnant for over three decades. U.S.-led bilateral alliances alone cannot deal with this die-hard challenge. The region's political cooperation has traditionally lacked formal, multilateral, and regionally exclusive institutions, producing a pronounced "organization gap" compared with Europe, the Americas, Africa, and even the Gulf. The precondition for formal institutionalization in a region is "great power

balance.” Such balance has never been enduringly present in Northeast Asia due to the complicated geopolitical relationships among China, Japan, Russia, and the United States, making it difficult for regional organizations to emerge.

Another condition for moving beyond the Northeast Asian Paradox is “historical institutionalism” that focuses on the determining role of preexisting organizational structures. New institutions are a function of prior institutional settings. For example, the setting of the Six-Party Talks (SPTs) may become the foundation of a Northeast Asian peace and security mechanism. A continuing leitmotif of the Six-Party Talks—among the United States, China, Japan, Russia, South Korea, and North Korea—is the prospect that a resolution of the nuclear problem could set the stage for more institutionalized and enduring multilateral cooperation in Northeast Asia.<sup>6</sup>

### **Worsening North Korean Nuclear Problem**

Following an August 2013 meeting between the South Korean Minister of Defense Kim Kwan-jin and the U.S. Secretary of Defense Chuck Hagel, a Ministry of Defense official commented that both countries agreed that North Korea could miniaturize nuclear warheads small enough to mount on ballistic missiles in the near future.”<sup>7</sup> General Curtis M. Scaparrotti, United States Forces Korea (USFK) Commander said, “Personally I think that

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6) Kim Sung-han. (2008). “Searching for a Northeast Asian Peace and Security Mechanism” in *Asian Perspective*, 32(4), 127–156.

7) Bruce Klingner, “U.S. General: North Korea Now Has Nuclear Warheads for Missiles,” *The Daily Signal*, October 27, 2014.

they certainly have had the expertise in the past. They have had the right connections [with Iran and Pakistan], and so I believe have the capability to have miniaturized a [nuclear] device at this point, and they have the technology to potentially actually deliver what they say they have a launcher that would carry it at this point.”<sup>8</sup> Although he later clarified that his remark was based on his personal opinion rather than on hard evidence, those above statements for the past couple of years demonstrate that the North Korean nuclear threat is becoming more serious, but it is not being well addressed.

North Korea has boycotted the Six-Party Talks (SPTs) since early 2009 due to UN sanctions for its nuclear and missile tests. While the nuclear deadlock was continuing, Pyongyang recently demanded an end to the sanctions and the opening of the SPTs without any “preconditions.” U.S., Japan, and South Korea, on the other hand, urged North Korea to show its sincere commitments to denuclearization, which implied North Korea would have to take “pre-steps” for the resumption of the SPTs. Those pre-steps may include declaring a moratorium on nuclear and long-range missile tests; suspending the production of weapons-grade nuclear materials; and allowing UN inspectors from the International Atomic Energy Agency back into North Korea to assess North Korea’s nuclear facility at Yongbyon and to verify the end of enrichment. All concerned parties, the United States in particular, should decide whether we will continue to wait until North Korea meets our demands, or we will resume the SPTs to deal with the worsening situation.

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8) *The Diplomat*, October 25, 2014.

### *3. Korea's Foreign Policy Responses*

#### **U.S.-led Asian Order with the Hope of Concert of Asia**

Korea is sharing most of the strategic challenges facing the United States. Regarding how to respond to the great power politics in East Asia and to the Northeast Asian Paradox, there exist two schools of thought in the ROK. One is the school of the Concert of Asia. Great power relations surrounding the Korean Peninsula are reminiscent of great power politics in the 19<sup>th</sup> century. The 100 years of peace in Europe between the Vienna Convention (1815) and WWI (1914) was possible due to the Concert of Europe among the United Kingdom, France, Prussia, Austria, Italy, and Russia. Contemporary international relations of Asia are similar to Europe and the Concert of Asia should thus be established. The other one is the school of U.S.-led Asian order. They believe that a multipolar system is inherently unstable. The U.S. has been playing a stabilizer role through its military presence in Asia. The withdrawal of U.S. forces from Asia would thus lead to an unstable multipolar system in which major powers will be involved in unlimited power competition without being converged on a stable international order.

The Park Geun-hye government is standing closer to the school of the U.S.-led Asian order while exploring the possibility of the concert of Asia in a complementary way. The Park government gives highest priority to the ROK–U.S. alliance since it is the linchpin of peace and stability in the Asia-Pacific region. At the 2013 U.S.–ROK Joint Declaration, President Park and President Obama emphasized, “We pledge to continue to build a better and more secure future for all Korean people, working on the basis of the Joint Vision to foster enduring peace and stability on the

Korean Peninsula and its peaceful reunification based on the principles of denuclearization, democracy and a free market economy.” It was meaningful in the sense that the Park–Obama summit had reconfirmed U.S. commitment to Korean reunification rather than looking at North Korea from the narrow perspective of nonproliferation.

President Park and President Obama agreed to move from a comprehensive strategic alliance to the global partnership in which the ROK and the United States expand cooperation on climate change, clean energy, energy security, human rights, humanitarian assistance, development assistance cooperation, counterterrorism, peaceful uses of nuclear energy, nuclear safety, nonproliferation, cyber security, and counter-piracy. The Park government also tries to have a better relationship with China on the premise that the central axis of Korea’s foreign and security policies is the ROK–U.S. alliance and that U.S.–ROK and China–ROK relations are compatible, not zero-sum relationships.

In addition, the Park government is pursuing a multilateral security cooperation mechanism in Northeast Asia rather than limiting itself to the U.S.–China bilateral structure. At the joint session of the U.S. Congress on May 2014, President Park proposed the Northeast Asia Peace and Cooperation Initiative (NAPCI). She said, “The U.S. and other Northeast Asian partners could start with softer issues. These include environmental issues and disaster relief. They include nuclear safety and counterterrorism. Trust will be built through this process..... But it will be firmly rooted in the Korea–U.S. alliance.”

### **Trustpolitik—NAPCI—Rebalancing Synergy**

Since President Park's Trustpolitik on North Korea is aiming at North-South dialogue and denuclearization, North Korea-included NAPCI is not supposed to precede Trustpolitik. A Northeast Asian peace and security mechanism should be pursued in a way that is consistent with and conducive to the progress in the North Korean nuclear problem. A charter of the NAPCI emphasizing multilateral security cooperation and nonaggression could be used by North Korea to legitimize its nuclear power status. As long as inter-Korean relations remain unstable, real peace and stability in the region will be remote. Tangible progress in inter-Korean relations should be the precondition to guaranteeing the stability of Northeast Asia. For South and North Korea, participation in such a multilateral security mechanism could contribute to establishing a solid peace regime on the Korean Peninsula.

*Trustpolitik* and NAPCI share some similarities with U.S. rebalancing strategy since they are anchored upon the ROK–U.S. alliance and aimed at promoting cooperation with other countries. In this sense, we can say South Korea is exploring a synergistic effect among those three, while she knows it will not be easy.

#### *4. Policy Recommendations*

### **Combine Bilateral and Multilateral Leadership of the United States**

The existence of a credible balancer provides a foundation for the emergence and endurance of regional organizations. This means that the “U.S. factor” should be considered in one way or

another so that the path of searching for a Northeast Asian peace and security mechanism may not be “spoiled” by the United States when she feels unhappy with the process of exploring the institutionalization. Polarization between China and Russia on the one hand and Japan and the U.S. on the other will be destabilizing particularly when China is being seen as the only potential power that can threaten the hegemonic status of the United States. To those who worry about upholding the balance of power in Northeast Asia, the United States stands out more sharply than ever as the only truly indispensable balancer. Thus, the United States should refrain from aggravating its relations with Japan and China in order to prevent them from collaborating together in an anti-U.S. move. But it also should refrain them from provoking distrust between them because such distrust may induce them into escalating an arms race, thereby threatening the stability of the region.<sup>9</sup>

This kind of bilateral leadership of the United States is being influenced by the relative decline of the U.S. hegemonic status in the region. The most effective way to make up for it is to promote the multilateral leadership in the region. The United States should invest its political resources in promoting multilateral efforts on the basis of Asia-Pacific regionalism (e.g., EAS, ARF, APEC) rather than East Asian regionalism (e.g., ASEAN plus

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9) It is important for the United States to provide reassurance to traditional allies that it will stand by them if their security is seriously threatened, but it needs to also carry the message that this support is not a blank check. This especially pertains to Japan, the Philippines, and others involved in the maritime/islands disputes. If U.S. support is too unconditional, they may get too assertive and feed into crisis instability. But if China sees U.S. support as too limited, it may see less risk in being assertive, if not aggressive. This reassurance/restraint balance is inherently a tough one to strike, but it is one of the key recalibrations needed in relations with some longstanding allies. Bruce W. Jentleson, “Strategic Recalibration: Framework for a 21<sup>st</sup> Century National Security Strategy,” *Washington Quarterly*, 37(1), Spring 2014, 115–136.

Three). If possible, ASEAN centrality needs to be respected in the process of multilateral institution-building.

### **Let Alliances and Multilateral Cooperation Coexist in Northeast Asia**

In Northeast Asia, bilateral security arrangements will remain the backbone of Northeast Asian security for a considerable period of time. This means strategic thinking based on realism is still necessary in order to foster the soil for multilateral security cooperation. Despite the strategic uncertainty and prevailing bilateralism, Northeast Asia needs to search for such a multilateral setting as a Northeast Asia Peace and Security Mechanism (NEAPSM). In this light, we need to keep the Six-Party Talks alive since we will utilize existing norms and procedures within the Six-Party Talks to deal with new problems rather than create new ones in the future.

The Northeast Asian Paradox cannot be resolved by the creation of NEAPSM or NAPCI, but it could be diluted. We need to create an equilibrium in which bilateral security arrangements coexist with NAPCI like Europe where NATO and OSCE coexist in a peaceful manner. Here comes the importance of U.S. leadership and support as shown in the transformation from CSCE to OSCE after the end of the Cold War. Of course, U.S. support came from a solid status of NATO. U.S.-ROK and U.S.-Japan alliances are solid enough to provide U.S. leadership for the launching and continuation of NAPCI.



## Promote Minilateralism

Various efforts for minilateralism at Track 1 and multilateralism at Track 2 (or 1.5) may contribute to the multilateral institutionalization in Northeast Asia. Some triangular relationships are seen as more effective than others (ROK-U.S.-Japan, China-ROK-Japan, etc.). Agenda should thus be fairly limited to avoid greater conflict. From China's perspective, no trilateral should be a security alliance because it could be used as a tool against a third party. The potential for distrust and misunderstanding to build among the parties left out could be too great.

Bearing regionalism in mind, it is possible for ACK (America-China-Korea) to attempt to launch trilateral cooperation. ACK could explore a trilateral consultation mechanism for discussing the future of North Korea<sup>10</sup> and the ways of dealing with the North Korean contingency. For a long time the United States has been promoting AJK(America-Japan-Korea) trilateral cooperation to address the North Korean issue, but one caveat is that AJK should be confined to North Korea and avoid the impression that AJK is a virtual alliance against China.

## One More Try for North Korean Denuclearization

The U.S. Secretary of State John Kerry criticized North Korea's prison camps as an "evil system" at the ministerial meeting on

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10) For survey results about the future of North Korea from 135 Korea and security experts around the world, see *Future of North Korea: Expert Survey Report 2014*. (Seoul: Ilmin International Relations Institute). 2014.

North Korean human rights at the UN on September 2014. This reminds us of the George W. Bush administration which defined North Korea as a part of the “axis of evil” and one of the “outposts of tyranny.” The Bush administration took a neoconservative approach of democratizing autocratic regimes through coercion for the sake of realizing international peace. It remains to be seen whether the Obama administration will take the similar path of trying to break a nuclear deadlock with the “human rights card.”

The Bush administration coined the term “regime transformation,” if not regime change, as a way of putting pressure on the North Korean regime so that they could change their policy behavior on such issues as nukes and human rights. It also adopted the North Korean Human Rights Act of 2004. Then, the Bush administration was characterized by many experts as linking nukes with human rights for the sake of resolving the nuclear problem. This linkage strategy, however, has disappeared since the neocons left the administration after the Republican defeat in the mid-term elections in November 2006.

If the Obama administration tries to link them as the Bush administration did, it will have to highlight the North Korean human rights situation when North Korea resists cooperation on the nuclear issue while it will soften its human rights pressure when there is a nuclear progress. Human rights, however, is the issue we have to pursue regardless of whether we have a nuclear breakthrough or not. This kind of a consistent and meticulous approach to North Korean human rights could paradoxically help us to draw significant nuclear concessions from North Korea at some point in the future. This is a “strategic decoupling” between nukes and human rights rather than just a decoupling strategy.

For South Korea, a better place for dealing with North Korean human rights is not inter-Korean channels but multilateral diplomatic fields like the United Nations. In March 2014, the United Nations Human Rights Council's Commission of Inquiry (COI) on Human Rights in the Democratic People's Republic of Korea (DPRK) adopted a variety of recommendations aimed at improving the human rights conditions in North Korea. The ROK government should thus make the utmost efforts so that North Korea and the international community may take necessary measures to implement those COI recommendations. The UN field office on North Korean human rights, which will be launched in Seoul at the end of 2014, could assist with these efforts.

Some experts argue we need to lower the threshold for the Six-Party Talks (SPT) so that North Korea might come to them as soon as possible. The key is, however, not whether the threshold should be maintained or lowered, but whether North Korea's Kim Jong Un regime is still interested in denuclearization. We need to make North Korea freeze its nuclear programs first and move on to the process of denuclearization. It would be a lot better if North Korea accepts the missile and nuclear test moratorium, allowing IAEA inspectors back into Yongbyon, and suspending all nuclear programs before the SPTs are resumed. If not, we could propose a deal to see if the Kim Jong Un regime is willing to freeze its nuclear programs in return for resuming the SPTs. Once North Korea has announced its nuclear freezing, we will resume the SPTs and discuss further steps to get the ball rolling. IAEA inspectors should return to Yongbyon to see whether North Korea has frozen its nuclear programs—plutonium as well as uranium enrichment. While they are verifying, the five other concerned parties of the SPTs will start discussing how to reduce UN sanctions on North Korea through consultation

with the UN Security Council. When the freezing is verified, the UN Security Council will reduce, not lift, sanctions. At the same time, the four concerned parties—the United States, China, South and North Korea—could start a “peace forum” as soon as possible to discuss (not hastily conclude) how to replace the armistice agreement with the peace agreement to put a legal end to the Korean War.

If North Korea rejects this proposal and chooses the path of going nuclear by conducting a fourth nuclear test, it would have to face tougher sanctions. Then, we would have to make a thorough review of our North Korea policy to decide if we still need to engage or contain it to the extent of preserving regime survival. What we need to link with the North Korean nuclear problem is not human rights but sanctions. We can reduce (or toughen) sanctions when there is progress (or a backslide) on the nuclear issue. In this vein, being prepared for another failure of negotiations is important. The prospect of North Korea with a growing nuclear weapons arsenal could create new stresses for the ROK-U.S. alliance as well as the major powers relationship in Northeast Asia. The danger will be another perception and policy gap, this time between Washington's fears of nuclear exports and Seoul's concern that it will have to live with a nuclear North Korea. The key is to draw cooperation from China so that the sanctions regime will be effectively working against North Korea. At the same time, we need to work on upgraded sanctions that will work better even without active Chinese cooperation.

## U. S. Rebalance and the Responses From Southeast Asia

*Aileen S. P. Baviera*

### Different views on the U. S. rebalance

There is no single uniform view among the countries of Southeast Asia regarding the U.S. “rebalance” to Asia. Deducing from various statements by leaders and analysts, their foreign policy postures and perceived national interests, one can conclude that some welcome the move rather unconditionally (among them Singapore, Vietnam, and the Philippines), some welcome it with certain reservations (Malaysia, Indonesia, Thailand, and possibly Brunei), while others have seen fit to express no position at all. Historical experiences, domestic politics, the current status of bilateral relations between the U.S. and each Southeast Asian country, differing threat perceptions, and norms and beliefs pertaining to great power competition in East Asia itself shape how the regional role of the U.S. and its rebalance policy are perceived in the ASEAN region.

In the first place, the concept of “rebalance” itself needs to be clarified. The manner in which “rebalance” was introduced, originally using the concept “pivot to Asia,” left little doubt that the strategic intent was primarily to reinvigorate the U.S. political-security influence and military presence in Asia, in light of the drawdown of the Afghanistan and Iraq wars and in response to the rising power and diplomatic clout of China in East Asia.<sup>1</sup> The other major dimension of rebalance—economic reengagement through the “Trans-Pacific Strategic Economic Partnership

Agreement” (TPP)—appeared to be an add-on to the agenda and had been comparatively slow and tentative in the manner it was laid out.<sup>2</sup> Subsequently, the economic, trade, human rights, and diplomatic elements of the rebalancing policy have been developed in more detail, and this rounding out of the policy as a multidimensional grand strategy of the Obama government for Asia has elicited an even more complex range of regional responses. However, this paper focuses on the reactions from Southeast Asia to the military aspect of rebalancing that presumably has China’s rising influence as one of its driving forces.

“Containment of China” may be too harsh and sweeping a phrase to describe the policy thinking behind the U.S. rebalance, although such claims have been made by many observers in China. The current level of interdependence and range of shared security interests between Washington and Beijing preclude efforts of one to “contain” the other without hurting one’s own interests. However, one could indeed argue that the goal of U.S. policy at a minimum is to ensure that Beijing’s gains in power and influence in Asia do not occur at the expense of Washington’s other regional interests—particularly its military preponderance, strong economic linkages, and the support and confidence of its Asian defense allies. Others have described the purpose of rebalancing more benignly, as a way for the U.S. to contribute to building a more effective security architecture in preparation for

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1) “Barack Obama Says Asia-Pacific Is ‘Top US Priority’”, BBC News, November 17, 2011, at <http://www.bbc.co.uk/news/world-asia-15715446> (Accessed December 18, 2014).

Hillary Clinton, “America’s Pacific Century” in *Foreign Policy*, October 11, 2011, at [http://www.foreignpolicy.com/articles/2011/10/11/americas\\_pacific\\_century](http://www.foreignpolicy.com/articles/2011/10/11/americas_pacific_century)

2) Robert G. Sutter, Michael E. Brown, and Timothy J. A. Adamson, with Mike M. Mochizuki and Deepa Ollapally (August 2013). *Balancing Acts: The U.S. Rebalance and Asia-Pacific Stability*, Elliott School of International Affairs and Sigur Center for Asian Studies, George Washington University, p.1. See also commentaries by David Lai and Cameron Stevens (June 12, 2014) at <http://thediplomat.com/2014/06/fixing-the-u-s-rebalance-to-the-asia-pacific/>

a power shift in the Asia-Pacific, especially because the current order based on the U.S.-centered hub-and-spoke system is no longer sufficient. In this argument, the move by the U.S. to expand security partnerships and eventually develop more complex networks of alliance partners is intended for the common good.<sup>3</sup>

Among the first signals of rebalancing were the announced deployment of a 2,500-strong marine task force to Darwin, Australia, by 2016 and intensified military coordination with Japan and South Korea. The U.S. also embarked on a reinvigoration of its defense treaties with Thailand and the Philippines, and pursued major new initiatives towards Vietnam, Indonesia, Malaysia, and Brunei for these countries to allow increased rotational presence by U.S. troops. In exchange, Washington became much more proactive in high-level bilateral visits, offered measures to strengthen the maritime security capabilities of Southeast Asian states, and also began to emphasize participation in official as well as Track Two multilateral security dialogues including the Shangri-La Dialogue, the ASEAN Defense Ministers Meeting (ADMM) Plus, and the East Asia Summit (EAS).<sup>4</sup>

The next section examines selected countries' responses towards U.S. rebalancing. The paper then explores some challenges and prospects faced by the U.S. in the legitimization of its rebalance to

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3) Chaesung Chun. (January 2013), "U.S. Strategic Rebalancing to Asia: South Korea's Perspective" in Abraham M. Denmark, Yan Xuetong, Noboru Yamaguchi et al. *NBR Roundtable: Regional Perspectives on U.S. Strategic Rebalancing in Asia Policy*, No. 15, 1–44. <http://asiapolicy.nbr.org>. The National Bureau of Asian Research, Seattle, Washington, 15.

4) S.D. Muni & Vivek Chadha, (Eds.). *Asian Strategic Review 2014: US Pivot and Asian Security*. New Delhi: Pentagon Press for Institute for Defence Studies and Analyses.

Southeast Asia, and then suggests some recommendations before concluding.

## Country Perspectives

*Singapore.* Singapore has consistently supported a strong U.S. military presence as a stabilizing force in Southeast Asia, being a small state entirely dependent on trade for its survival and historically surrounded by hostile neighboring countries. After the 1991 closure of American air and naval bases in the Philippines, Singapore helped ensure continued U.S. security engagement by offering the U.S. use of facilities at Changi Naval Base.

The U.S. pivot involves the enlargement of its military footprint in East Asia, which Singapore supports. Singapore had in 2011 agreed to host the deployment of four U.S. littoral combat ships.<sup>5</sup> It was incidentally in Singapore—at the Asian Security Summit (a.k.a. Shangri-la Dialogue) in 2012—that then-Secretary of Defense Leon Panetta announced the U.S. Navy’s plans to shift more of its forces from the Atlantic to the Pacific.

Defense minister Dr. Ng Eng Hen spoke of this agreement in the context of U.S. rebalance: “Singapore... welcomes the U.S.’ continued engagement of this region to ensure Asia’s prosperity and security. In recognition of the U.S.’ positive influence in the region, we have allowed U.S. military aircraft and vessels to use

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5) The littoral combat ship (LCS) is a class of relatively small surface vessels intended for operations close to shore by the United States Navy; they are useful for anti-submarine warfare, mine countermeasures, anti-surface warfare, intelligence, surveillance and reconnaissance, homeland defense, maritime interception operations, special operations, and logistics.



our facilities for several decades—first, under our 1990 Memorandum of Understanding and later in 2005, under the Strategic Framework Agreement signed by PM (Prime Minister) Lee and then-President George W. Bush. The recent announcement of the deployment of up to four U.S. Littoral Combat Ships (LCS) to use our military facilities is consistent with these signed agreements.”<sup>6</sup> Significantly, Singapore also agreed to hold a Third Country Training Program (TCTP) with the U.S., a joint technical assistance program for developing countries in the region, as part of their strategic cooperation.<sup>7</sup>

Perhaps to an even greater extent than Washington’s treaty allies, Singapore has faced few domestic constraints in justifying open support for a robust U.S. military presence. However, owing to the sensitivities of its bigger neighbors to any perceived U.S. dominance in Southeast Asia, Singapore has remained neutral in past U.S.-China disagreements and formally outside of the alliance system. Singapore’s economic and security vulnerabilities also lead it to continue to develop close economic and diplomatic ties with China.

*Vietnam.* Vietnam likewise supports a U.S. rebalance. Since the normalization of diplomatic relations in 1995, the U.S. and Vietnam have held joint military exercises, information exchanges, and co-hosted port visits to Da Nang. It was when Vietnam became ASEAN Chair in 2010—the year following China’s formal submission of its nine-dashed line map enclosing the South

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6) Reply by Minister for Defense Dr. Ng Eng Hen to parliamentary question on the U.S. Pivot towards Asia.  
[http://www.mindef.gov.sg/imindef/press room/official releases/ps/2012/16oct12 ps.print.img.html](http://www.mindef.gov.sg/imindef/press%20room/official%20releases/ps/2012/16oct12%20ps.print.img.html)

7) S.D. Muni & Vivek Chadha, (Eds.), *Asian Strategic Review 2014: US Pivot and Asian Security*.  
 New Delhi: Pentagon Press for Institute for Defence Studies and Analyses.

China Sea to a UN body—that the Obama administration first appeared to elevate its interest in the territorial disputes. Hillary Clinton at the ASEAN Regional Forum referred to the disputes as “a leading diplomatic priority” for the United States, by virtue of the U.S.’ “national interest in freedom of navigation, open access to Asia’s maritime commons, and respect for international law in the South China Sea.”<sup>8</sup>

Vietnam can rightly claim success in internationalizing its disputes with China and paving the way for and legitimizing U.S. involvement in this issue. Since then, despite some remaining differences in bilateral relations, Vietnam’s military ties with the U.S. grew. Vietnam has agreed to host one U.S. naval port visit per year, and in 2012 participated as an observer in U.S.-hosted RIMPAC exercises. In 2013, high-level security meetings including a Defense Policy Dialogue were held between the two countries. Washington had also been negotiating rotational presence and warship access to its former base at Cam Ranh Bay, but sensitivity to China has thus far led Vietnam’s leaders to grant access only for commercial repairs.<sup>9</sup> While Vietnam still sources most of its arms from Russia, discussions for the U.S. to lift its embargo on the transfer of lethal arms to Vietnam have long been underway, and are expected to result soon in increased assistance, especially in the field of maritime surveillance.<sup>10</sup>

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8) <http://www.forbes.com/2010/07/28/china-beijing-asia-hillary-clinton-opinions-columnists-gordon-g-chang.html>. See more at: <http://www.2point6billion.com/news/2010/07/27/clinton%E2%80%99s-comments-on-south-china-sea-territorial-dispute-press-china-u-s-relations-6528.html#sthash.Jws49Zl6.dpuf>

9) Erik Slavin, “Changing times: Door may open to US military at former Vietnam War hub” in *Stars and Stripes*. June 18, 2014. Accessed at <http://www.stripes.com/news/changing-times-door-may-open-to-us-military-at-former-vietnam-war-hub-1.289509>

10) Jane Perlez, “In China’s Shadow, U.S. Courts Old Foe Vietnam” in *The New York Times*, August 16, 2014. Accessed at [http://www.nytimes.com/2014/08/17/world/asia/in-chinas-shadow-us-courts-old-foe-vietnam.html?\\_r=0](http://www.nytimes.com/2014/08/17/world/asia/in-chinas-shadow-us-courts-old-foe-vietnam.html?_r=0)

At the same time, Vietnam's proximity to Chinese military power, their past history of armed conflict both on land and in water, and extensive trade as well as party-to-party links, caution Vietnam against trying to isolate itself from China. Incidents like the HYSY-981 oil rig crisis in May of 2014 are bound to exacerbate Vietnam's security concerns, having the apparent contradictory effects of increasing reliance both on a U.S. balancing role and stimulating more proactive diplomacy with China.

*The Philippines.* Aside from Vietnam, the Philippines is the Southeast Asian country that is most embroiled in territorial disputes with China, and therefore looks to the U.S. to serve as a security guarantor and balancer of China's growing regional influence. Moreover, its status as a formal treaty ally of the United States since 1953 has meant the continued existence of a legal framework and strong political ties that help facilitate the U.S.' engagement and its current requirements for increased rotational presence and prepositioning. One of the highlights of U.S. President Barack Obama's visit to four Asian countries (South Korea, Japan, Malaysia, and the Philippines) in April–May 2014, intended to show seriousness of the pivot, was the announcement of a new “Enhanced Defense Cooperation Agreement” with Manila that involves allowing U.S. troop presence and prepositioning of material in U.S.-built facilities inside Philippine military bases. Over 90 U.S. navy ships made port calls on Manila in 2013, up from 50 in 2010.<sup>11</sup> The administration of Benigno Aquino III, without doubt, supports the rebalance.

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11) Stuart Grudgings, “As Obama's Asia 'pivot' falters, China steps into the gap” in *Reuters*. October 6, 2013. Accessed at <http://www.reuters.com/article/2013/10/06/us-asia-usa-china-idUSBRE99501020131006>

Although Filipino nationalism has traditionally been directed against the United States owing to the two countries' history of colonial ties, China's recent assertiveness and tendency to resort to coercion in connection with its South China Sea claims helped dampen criticism of the U.S. rebalance. In fact, the Aquino government has been eager for Washington to remove any remaining ambiguity in the alliance commitments to Philippine defense in relation to maritime disputes with China. To date, Washington avows neutrality with respect to the merits of the various sovereignty claims, but has signaled strong political and diplomatic support for the Philippines' legal and diplomatic efforts to resist China's irredentism. At the same time, the U.S. is careful that its support does not encourage Manila to undertake any provocative actions directed at China that could draw the U.S. into a conflict it does not want.

*Indonesia.* Inasmuch as Indonesia—Southeast Asia's largest state, putative leader, and sub-regional power—feels that it bears a larger responsibility for keeping the peace, stability, and autonomy of the ASEAN region, its attitude towards U.S. rebalance will be crucial to U.S. success. The previous government of Susilo Bambang Yudhoyono (SBY) was in fact more active than its predecessor in trying to shape regional security discourses. Drawing from Indonesia's longstanding policy of nonalignment and its "free and active" foreign policy doctrine, SBY's foreign minister Marty Natalegawa reiterated a "One million friends, zero enemies" principle in Jakarta's foreign relations, while calling for a "dynamic equilibrium" that would minimize great power competition and rivalry in its neighborhood.

Dynamic equilibrium presumes a benign presence by the U.S., a fully engaged China, with neither a dominant power in the

ASEAN region. Indonesia, in this context, opposed excessive U.S. emphasis on the military dimension of rebalancing—including the 2011 decision to station an American marine base in Darwin—as potentially provocative to China. Indonesia also promotes defense and military cooperation with China, particularly in areas such as maritime security, joint military exercises, and in the defense industry. In 2007, the two sides held a defense consultation forum, and China agreed to assist Indonesia in manufacturing the C-705 anti-ship missile through a transfer-of-technology scheme.<sup>12</sup>

However, there are strong indications that Indonesia does welcome a comprehensive U.S. engagement. In 2005, concerned that China could potentially dominate an ASEAN Plus 3-centered cooperation structure, Jakarta pushed determinedly for the establishment of a mechanism involving membership of the U.S. (and Russia)—the East Asia Summit. In 2010, Indonesia upgraded its relations with the U.S. to that of a comprehensive partnership. Since then, U.S. foreign military sales to Indonesia have reached US\$1.5 billion, and the two countries reportedly participate together in about 200 military exercises, training, and other exchanges every year.<sup>13</sup>

Mainstream domestic opinion in Indonesia remains critical of U.S. foreign policy in light of the latter's support for Israel over Palestine; therefore to be perceived as too close to U.S. foreign

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12) "TNI eyes closer cooperation with China" in *The Jakarta Post*, Jakarta. February 26, 2014. See more at <http://www.thejakarta.post.com/news/2014/02/26/tni-eyes-closer-cooperation-with-china.html#sthash.MswhjytH.dpuf>

13) John McBeth. "US-Indonesia military ties robust" in *The Straits Times*. April 20, 2014. Accessed at <http://news.asiaone.com/news/asian-opinions/us-indonesia-military-ties-robust?page=0%2C0#sthash.G2go7Ho6.dpuf>

policy posture may have political costs for the leadership.<sup>14</sup> On the other hand, concerns over China's role as a regional power have grown, perhaps partially in response to how Chinese presence has begun to impact Jakarta's maritime interests, particularly in the fishery areas and offshore natural gas fields in Natuna.

*Malaysia.* The Malaysian government under the leadership of Prime Minister Najib Razak has also prioritized building good relations with the United States, particularly in terms of military cooperation. Obama's visit to Kuala Lumpur in April 2014 was the first held by a sitting American President since Lyndon Johnson, and it was very well received.<sup>15</sup> The change has been attributed to both domestic political concerns and Malaysia's perceptions of its changing regional environment.

Kuala Lumpur's preoccupation with maritime security and defense has indeed grown in recent years. It held its first-ever fleet exercise in the South China Sea in August 2010, involving one of its newly acquired submarines. In 2011, aside from participating in the Cooperation Afloat Readiness and Training (CARAT) exercises, Kuala Lumpur was upgraded from observer to participant in the "Cobra Gold" multilateral military exercises involving the U.S. An Acquisition and Cross-Servicing Agreement with the U.S. originally signed in 1994 and last renewed in 2005 is being negotiated with a view to extension.

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14) For more on Indonesian perspectives, see "PacNet #30A The US Rebalancing to Asia: Indonesia's Maritime Dilemma" by Ristian Atriandi Supriyanto. <http://csis.org/publication/pacnet-30a-us-rebalancing-asia-indonesias-maritime-dilemma>; and "An Indonesian Perspective on the U.S. Rebalancing Effort toward Asia" by Dewi Fortuna Anwar.

15) Felix Chang, "A Question of Rebalancing: Malaysia's Relations With China" <http://www.fpri.org/articels/2014/07/question-rebalancing-malaysias-relations-china> July 2014.

Since March 2013, Chinese warships have been periodically holding exercises in the vicinity of Malaysian-claimed James Shoal, and Malaysia responded by setting up a new naval base in Bintulu, close to the disputed area. Then in early 2014 Defense Minister Hishamuddin called for intensified joint military exercises and training with the U.S. Najib is also seeking to improve defense industry and military training coordination with ASEAN countries.

Some analysts, however, argue that this new closeness with the U.S. has less to do with fear of China and more with domestic politics and elite preferences, including the ruling regime's efforts to dissuade the U.S. from supporting detained opposition leader Anwar Ibrahim.<sup>16</sup> Therefore support for the rebalance may not be driven primarily by a China factor, as Malaysia continues to enjoy excellent trade and economic relations with China.

*Thailand.* Bangkok also pursues a careful balancing act in reaction to the U.S. pivot. Among ASEAN's founding members, Thailand has been most wary about being perceived as taking sides against China. Like the Philippines, it is considered a "major non-NATO ally" of the U.S. and provides strategic support to U.S. operations through its U-Tapao naval airbase. Thailand also hosts the annual Cobra Gold, which the U.S. touts as the world's largest multilateral military exercise and premier training event in the Asia-Pacific. In 2012, Washington and Bangkok signed the "2012 Joint Vision Statement for the Thai-U.S. Defense Alliance."

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16) For more on the domestic driving forces, see Kuik Cheng-Chwee, "Malaysia's U.S. Policy Under Najib: Ambivalence No More?" *RSIS Working Paper*, No. 250. November 5, 2012.

However, unlike the Philippines, Thailand has little direct stake in the South China Sea conflict that has become a major justification for U.S. engagement in Southeast Asia. Thai scholar Kitti Prasertsuk, reacting to the proposed basing of American troops in Darwin, amplified Thai concerns that additional U.S. deployments would spur China to increase its military capabilities, leading to an arms race particularly among those involved in territorial disputes with China. Thai relations with the U.S. have moreover been affected by the 2014 coup d'état against the democratically elected government, in response to which the U.S. suspended security assistance funds.

On the other hand, Thailand's military-to-military ties with China, forged during the Indochina crises, remain strong. Just before the 2012 agreement on the U.S. alliance, Yingluck Shinawatra signed the Sino-Thai Comprehensive Strategic Partnership and two five-year action plans for 2012–17. Following that visit, the Thai defense minister led the chiefs of the Thai army, navy, and air force in paying a courtesy call to then vice president Xi Jinping in Beijing.

Most of the Southeast Asian states expect to draw benefits from the tactical competition between the U.S. and China for their allegiance and for influence over ASEAN. Nonetheless, there tends to be agreement on one point—that, ultimately, having to make a choice between the two powers and thus forgoing close ties with one or the other is the least desirable strategic outcome for the small-and medium-sized states that comprise the ASEAN region. The U.S. and China are, after all, the world's two largest economies, both major export markets and potential sources of capital and technology. Beyond economic significance, good relations with both may prove critical to the comprehensive secu-



rity needs of many of the regional states. From the ASEAN multilateralist perspective, choosing one over the other is also not an option, as it is precisely the strategy of balance of power—translated as keeping all major powers equally engaged—i.e., ASEAN's key means to “increase the scope and opportunities for political independence, diplomatic engagement, and economic interdependence.”<sup>17</sup>

### **Challenges facing U. S. rebalance in Southeast Asia**

The U.S. faces complex challenges in terms of sustaining and promoting its influence in the region through rebalancing. These include the fact that regional states are not at all certain that the U.S. government (post-Obama) will have a sustained interest and commitment to helping build an East Asian security order or to supporting ASEAN-centered multilateralism. Other obstacles include the possibility of foreign policy falling hostage to internal political impasse, lack of financial resources, the outbreak of crises in other parts of the world requiring U.S. attention, and isolationism that periodically emerges in U.S. foreign policy cycles. One effect of such uncertainty is that regional states will hedge against the possibility of the U.S. pulling back or scaling down from the pivot, and such hedging may include cultivating close ties with other major powers or engaging in their own internal arms buildup.

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17) Barry Desker (January 2013), “The Eagle and the Panda: An Owl’s View from Southeast Asia” in Abraham M. Denmark, Yan Xuetong, Noboru Yamaguchi et al. *NBR Roundtable: Regional Perspectives on U. S. Strategic Rebalancing in Asia Policy*, No 15, 1–44. <http://asiapolicy.nbr.org>. Seattle, WA: The National Bureau of Asian Research, 26.

Another challenge is that certain key players who can help most in legitimizing a greater U.S. military role remain constrained by ideological considerations. Malaysia and Indonesia, countries which have historically provided the ideas and vision for ASEAN, have majority Muslim populations which are critical of U.S. foreign policy toward the Muslim world. They, as well as other governments of the region who have historically developed a preference for the norms of non-alignment or neutralism (e.g., Cambodia and Myanmar) cannot unabashedly support a strong U.S. military presence due to sensitivities among both their elites and masses, even though some may be willing to work discreetly with the U.S.

The U.S. rebalance may also pose a threat to the idea of ASEAN's centrality, especially in regards to efforts by the middle powers and multilateralists to shape an inclusive regional architecture that does not rely on the military strength of any single power, and that does not pit great powers against one another. Already, we see growing competition between the U.S. and China for leadership of new security and economic multilateral institutions such as ASEAN Plus Three (APT), East Asia Summit (EAS), ASEAN Defense Ministers Meeting Plus (ADMM Plus), Trans Pacific Partnership (TPP), Regional Comprehensive Economic Partnership (RCEP), the Asian Infrastructure Investment Bank (AIIB), etc. If eventually the agenda and rules of regional security cooperation become dominated by either or both powers, ASEAN's strategic value and diplomatic influence will be diminished.

A most important challenge is the fear across the region that U.S. military presence, large-scale exercises, and the provision of material as well as political support for allies may increase the possibility of confrontation between the U.S. and China, as each

side tries to measure up to the other's expanded defense capabilities. One current perception is that the U.S. is invigorating or building alliances and new security partnerships in order to help certain countries strengthen their response to China's assertive actions in relation to territorial and maritime jurisdiction claims, thus exacerbating security dilemmas. Such a view of the rebalance, especially if intended to "contain" rather than "engage" China, would be seen by many as counterproductive, as many governments in the region already accept China as an inevitable regional power whose stability and growth can be contributing factors to their own prosperity and regional stability.

Finally, there are also some residual concerns that the rebalance may at some future point involve U.S. interventionism in the internal affairs of countries in the region, as the U.S. has done in decades past and more recently with regime changes in other parts of the world. In Southeast Asia, this may come in the form of setting conditions for U.S. support that may lead to infringements on sovereignty which are unacceptable to nationalists.<sup>18</sup>

## Conclusions

The foregoing analyses imply that a U.S. rebalance may arguably be more welcomed by Southeast Asians if it is genuinely perceived as more than a mere consolidation of U.S. military power, i.e., entailing commitments to sociocultural, economic, and developmental concerns of the peoples of the region as well.

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18) Dewi Fortuna Anwar, "An Indonesian Perspective on the U.S. Rebalancing Effort Toward Asia," The National Bureau of Asian Research, February 26, 2013, cited by Prashanth Parameswaran, *The Washington Quarterly*, Fall 2014.

U.S. rebalance can also be more assuring if, for the long term, the U.S. role can be institutionalized through the existing inclusivist multilateral arrangements and institutions. Exceptionalism—whether Chinese or American—indeed goes against the grain of multilateralism. Architects of the rebalance may therefore wish to explore how the role of the U.S. can help promote ASEAN unity, centrality, and effectiveness in the long run, so as to strengthen non-confrontational, peaceful, and diplomatic approaches to regional security issues.

The U.S. seems to be moving step by step in this direction, but perhaps still rather tentatively, as the imperative of a strong forward presence and reliance on its own hard power cannot be denied. After all, the regional institutions established after the Cold War that we had hoped would provide alternative security approaches have yet to mature beyond confidence-building, which they have not even succeeded one hundred percent in achieving despite 25 years of efforts. Then again, big powers have all along tended to engage in the regional institutions only selectively and instrumentally, preferring the greater freedom that unilateral action and/or asymmetric alliances accord them.

This is why the Obama administration's more recent diplomatic engagement with regional mechanisms such as EAS, APEC, ARF, and ASEAN is remarkable and encouraging, whereas even newer initiatives like the TPP, RCEP, and AIIB also need to evolve into arenas for cooperation rather than competition.

To be blunt, the assertiveness of China and the increase in its power projection capabilities over the last 5 years have provided strong reason for littoral states to doubt China's pledges of a peaceful rise and non-hegemonic intentions, and therefore reason to welcome the American rebalance. There is a litany of Chinese actions that

have fueled concerns among its neighbors but which will remain unmentioned here, except to underscore that indeed, while other countries have also contributed their share to the increase in tensions, China's moves have elicited the greatest concern due to its sheer size and potential impact. The global financial crisis that hit the U.S. economy, and its perceived decline in overall capability, may have provided added opportunity and temptation for China to step forward with respect to territorial claims.

Thus, some states' attitudes towards a U.S. rebalance have revolved around the question of what they or ASEAN collectively fear more—a dominant and “self-centered” China intent on protecting and aggressively promoting its national interest even at the expense of its neighbors' sense of security, or the prospect of a U.S. – China confrontation that would destabilize and divide the region? If the former looms larger then the U.S. is more welcome; whereas if the latter grows more likely, Southeast Asian states will tend to become more cautious about encouraging a U.S. role that could aggravate China's own security fears.

In the scenario of a hegemonic China, a position of neutrality or equidistance between the great powers (real or staged) will not hold, and the choices will likely not be ones that lean towards China but in the other direction. After all, China is near, it has disputes with neighbors, it is big, it is dissatisfied with the status quo, it has shown willingness to use its strength to challenge small and big powers alike, and it is driven by sometimes overpowering and perhaps unpredictable domestic political forces. In contrast, the U.S. is bigger but can be distant and preoccupied, has no direct conflict with any of the Southeast Asian states, and thus far represents no military threat to any of them.

For the moment, it seems that the U.S. rebalance is seen as useful to the hedging strategies of most Southeast Asian countries, particularly those involved in disputes of one sort or another with China in the South China Sea. It may even be argued that a strong U.S. engagement is necessary and desirable not only for reassuring the smaller states in China's periphery, but most especially for providing a more stable environment in which China itself can choose to develop as a benign power, using its newfound influence and strength to become a co-provider of public goods for the region rather than using its regional influence to provide only for China's own needs.

On the other hand, a U.S. rebalance that is conceptualized as a strategy of containment of China (i.e., preventing its military and economic growth or undermining its strong linkages with other states) will be viewed in the region as unrealistic, unsustainable, and provocative. Some Chinese leaders continue to believe that Washington's intention is to prevent its rise to great power status. The assumption may or may not be accurate, but the perception and the mistrust are real, thus increasing the risk of nationalist counter-reaction or miscalculated response.

From today's vantage point, the ASEAN region, while wedded to its traditional desire for autonomy, noninterference in internal affairs, and disinclination to take sides in the rivalry among great powers, runs the risk of becoming an arena for potential conflict among powers. No ASEAN country wishes to see such a conflict occur. Even those Southeast Asian countries who support the rebalance may wish to see military deterrence and a U.S. forward presence only as part of or instrumental to a strategic diplomatic engagement of China.

Ultimately, none in the region are sure what the U.S. wants or what it can commit to long term. Nor can any in the region predict China's future actions which will justify other governments' policy choices one way or the other. But ultimately, it is China–U.S. relations that need much mending and nurturing, and this requires not just greater transparency but mutual assurances regarding each other's intentions. High-level bilateral military-to-military confidence-building processes between China and the U.S. are underway, but ASEAN can do much more to encourage the two sides to work together in multilateral settings, laying the building blocks of a new security order.

## Concluding Remarks

*Han Sung-Joo*

This afternoon, we had very rich presentations and stimulating discussions on the role of America in Asia. As you know, The Asia Foundation had a more extensive project on the same subject, America's Role in Asia, in 2008 as a quadrennial project before the U.S. Presidential Election then. This year, the project coincided with the U.S. midterm elections that were held on Tuesday, November 4, 2014.

I had a re-look at the book that resulted from the project 6 years ago, and felt quite impressed with the prescience and insightfulness of the content of the book, even though I was myself one of the authors. I am equally impressed with what was presented and discussed at this afternoon's conference, starting with Dr. David Lampton's keynote speech. I have neither the time nor the intention, least of all the ability, to comment on all of the points discussed. What I would like to do is to take a few minutes to talk about how each of the major countries or actors take or react to what is now known as America's "Rebalancing to Asia" policy.

It looks like the U.S. has decided to place more weight than before on its Asia policy and Asia presence. I think this is necessary and appropriate, but it also seems that the U.S. has not quite decided how it will compete and cooperate with potential and perceived adversaries such as China. While denying that it is directed against China, sometimes the U.S. acts as if it were. The United States is overly sensitive, unnecessarily so in my view, to



whether a country in the region is becoming pro-China or pro-U.S. The U.S. seems to regard joining the TPP as being pro-U.S. and to join China-initiated plans such as the AIIB—that was discussed earlier—as being pro-China. I think, rather than splitting sides, the U.S. can focus on what it can do together, with China and other countries, so that they are not conceived of as adversaries or enemies.

China, on its part, exhibits two-sided attitudes, sometimes simultaneously and sometimes alternately. China wants to find ways to cooperate with the U.S. but is also in a hurry to change the status quo. To others such as ASEAN, China says it wants inclusiveness and consultation and to look after their comfort level. But China also cannot resist the temptation to flex its muscles and exhibit what we might call a “big power” attitude. China wants its newly gained power recognized, but still feels pushed, contained, and encircled by the United States. As Henry Kissinger says (since everybody quotes him, I feel I need to invoke him also), the U.S. and China have to agree that China is rising so will compete, but should agree to set limits to their competition.

Japan finds the rise of China uncomfortable and the United States being overloaded with world problems from which it cannot pivot away. In such a situation, Japan finds the need, justification, and opportunity to strengthen security cooperation with the United States and to elevate her own military capability and role. The problem and dilemma for Japan is that it is pursuing this policy without the accompanying success of building trust and confidence with its neighboring countries, particularly with Korea. It also limits Japan's ability to be helpful to the United States.

Korea still finds the threat of North Korea clear and present, what with its nuclear weapons, missile capabilities, warlike rhetoric, and internal power dynamics, which result in belligerent leadership. Korea welcomes the U.S.' "rebalancing to Asia," an important part of which is maintaining and strengthening bilateral alliances. Korea recognizes that such alliances also help cushion, if not buffer, Korea's tension with Japan. However, Korea feels that both the United States and China are not doing enough to deal with, much less resolve, the North Korean nuclear issue. It would like to see more attention, interest, and focused effort made to limit and ultimately remove North Korea's nuclear weapons capabilities.

One element of the "rebalancing to Asia" policy is engaging deeply with the so-called emerging powers, such as India and Indonesia. Although China sees the policy's main objective as "containing" China, I think the positive effects are elsewhere. It will have the effect of bringing these newly rising powers into the mainstream of world relations in an orderly, peaceful, democratic, and prosperous fashion. Lastly, on the question of U.S. alliances, which some, including China, consider Cold War creations and relics, an anachronistic instrument of China containment, I would say there are also some benefits to other countries including China. Giving security assurances to allies has the positive effect of limiting arms buildups in America's allies and in the region as a whole. Over the years, this has helped to prevent wars and maintain stability in the region and will continue to do so in the years to come. The U.S. presence in Asia has other values and benefits including protecting trade, safeguarding sea lanes of transport and communication, and responding to global emergencies and disasters.

I think we should be able to pay attention to the positive as well as negative aspects of relationships and policies. Thereby, we should be able to prevent self-fulfilling prophecies of mutual threats and also mutually reinforcing suspicions of each other. The situation calls for breaking the chain of the vicious circle of suspicions and crises and starting to build trust and confidence between them and others. Thank you very much.

The Asia Foundation improves lives and helps societies flourish. Guided by a vision for a peaceful, just, and thriving Asia, the Foundation marked 60 years (*hwangap*) in 2014 through a year-long, global conversation on the critical issues facing Asia.

To commemorate the anniversary and decades of partnership and presence in the Republic of Korea, the Foundation hosted a celebration dinner in Seoul on November 6, 2014, where Ambassador Michael H. Armacost, former Chairman of The Asia Foundation Board of Trustees and former U.S. Under Secretary of State for Political Affairs, delivered special remarks.

On the same date, the Foundation’s Korea office presented a roundtable, “America’s Role in Asia: The Implications of America’s Rebalancing Policy to Asia,” jointly hosted by the Foundation and Friends of The Asia Foundation Korea. The roundtable featured a keynote speech by Chairman of the Board David M. Lampton of The Asia Foundation, and concluding remarks by Ambassador Han Sung-Joo.

**FEATURED PRESENTERS:**

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