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America's Asia Policy

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Abstract

The groundwork for America's new Asian approach, released as a part of its new defence strategy was prepared in the three visits the United States President Barack Obama has taken to the continent. In each of these the American leader's position shifted, taking him slowly towards where he stands today. In the first visit in November 2009, centred on a visit to China, he was prepared to welcome Beijing to the front row of global policymaking. In the second, he welcomed India's rise and expressed his country's willingness to cooperate with New Delhi to craft a new world order in which the two large Asian powers, China and India, will play stabilising roles. In the third visit in November 2011, the American president began to articulate a policy aimed at containing China and making Asia a central American preoccupation. Now with the release of the Defence Strategy the United States has signalled a major shift in its geographic focus. It will now give more attention to Asia, in particular to the Pacific region. This paper examines the strategy and the implication of this move by the Obama administration for the South Asian subcontinent.

Asia's Relative Economic Rise

America's new defence posture should be viewed in the context of the enormous changes taking place in the shape and structure of the global economy. There are changes not only in terms of a greater share of Asia in the global economy. There is also significant reordering among the economies in the Asian continent. High rates of economic growth by the two most populous countries in Asia – China and India – relative to GDP increases in the older

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economies of North America, Europe and Japan have brought about significant changes in the distribution of global product. The change has been most dramatic since the Great Recession of 2008-09.² While the recovery in the non-Japanese Asian economies was rapid, it was sluggish in what was once the richest part of the global economy. Europe continues to remain in economic turmoil, while the tepid recovery in the United States has created few new jobs. There is no sign of Japanese recovery; its economic downturn has lasted for two decades.

It is the situation in Japan that will profoundly influence Asia's economic development. For decades the Japanese economy remained central to the Asian economic system. Its model of economic growth with the state firmly guiding the private sector towards producing export-led growth was replicated by other Asian economies. However, this model ceased to work in Japan some two decades ago; the country now faces industrial irrelevance. According to one assessment, "since the country's bubble burst in the 1990s, real income per worker has fallen by 10 per cent and the loss of more well paid manufacturing would accelerate the downward trend. Although official unemployment remains low, at a little more than four per cent, the government calculates that the rate would increase more than threefold if companies cut their workforces to match the actual level of demand."³

The Japanese manufacturing sector is now moving its operations abroad, mostly to the neighbouring Asian countries. "Since the yen began its 40 percent climb against the dollar in mid-2007, net outbound foreign investment has jumped from an average of US\$30bn-US\$50bn in the first half the 2000s to US\$130bn in 2008. It remains above its long-term trend. Domestically, corporate capital investment has been falling".⁴ China has moved into the space vacated by Japan. While Japan has become a net exporter of capital, China remains the destination of large foreign direct investment. Not only did China surpass Japan in the first half of 2011 to become the world's second largest economy after the United States. It has also become the economic engine for the Asian economies. Combined with its economic prowess is China's growing military strength which has added to its influence in the Asian regime. Beijing is investing heavily in developing its navy and air force and has launched an ambitious space programme. It is this increasing focus on military build-up that has begun to worry Washington. It was the subject of President Obama's most recent visit to Asia in November 2011, the third undertaken by him since becoming president.

President Obama's Third Asian Visit

President Barack Obama returned to Washington on 19 November, 2011 after concluding an eight –nine-day visit to Asia, counting the one day he spent in Honolulu, Hawaii, hosting the

² This was the subject of inquiry in an earlier paper by the author. See Shahid Javed Burki, "Disorder in the global economic order", ISAS Insight No.114, 21 October 2010, Institute of South Asian Studies, National University of Singapore.

³ Jonathan Sable, Japanese Manufacturing: In search of salvation", *Financial Times Analysis*, 5 January 2012, p.7.

⁴ *Ibid.*

summit of the Asia-Pacific Economic Cooperation (APEC) forum. This was the American president's third Asian visit. Each of these served a different set of American objectives as the country sought to redefine its role in global economic and political affairs. Each of these visits was marked by a different approach by Barack Obama in the way he views the world. He was accommodating new factors into his evolving world view while continuing to maintain that Asia was now the area deserving of most attention by the United States. In the first visit to the Asian continent in November 2009, he called himself the president of a Pacific country.

The first visit, undertaken within the first year of his presidency, was aimed at recognizing the rise of China. In what will be seen as a historic speech made in Tokyo as he headed towards Beijing, President Obama invited China to join his country in leading the global system towards a new order. Implicit in this was the suggestion that global affairs could be ordered by creating a G2 arrangement at its apex with G20 made up of the world's largest economies, developed and emerging, at the next level. The rest of the world will form the base of the suggested pyramid. Beijing was not particularly keen to play that role fearing that unless it consolidated its position in its immediate neighbourhood, it will end up playing second fiddle to the still dominant United States. Beijing believed that it could afford to wait. That said it was willing to participate in the annual dialogue with the United States on a variety of strategic issues. Three of these have been held since President Obama's first visit to Asia in November 2009. Two of these took place in Beijing and the third in Washington.

Several powerful foreign policy constituencies in the United States were taken aback by the new president's eagerness to embrace China as his country's equal. They mobilised to reassert what was viewed as "American exceptionalism" – the view that the United States came into being as a nation to influence the rest of the world: to have its values and political and economic systems not only be respected around the globe but to be seen as the models to be followed. The American right was not prepared to step back and accommodate China in the front rank. China may be on its way to becoming the world's largest economy – overtaking the United States perhaps as early as 2015 – but its values and systems could not be more different from those that were American. Any suggestion that China could be treated as one of the two models for the world was not acceptable to the forces of conservatism in the United States.⁵

The second visit was undertaken when there was a growing recognition that deep structural changes were taking place in the global economy with economic realignments proceeding much faster than anticipated even by those who had claimed that the 21st century will be the Asian century.⁶ The second visit came a year later, and this time the American president

⁵ See Shahid Javed Burki, "President Obama's first Asian visit", ISAS Brief No.138, 9 November 2009, Institute of South Asian Studies, National University of Singapore, for a discussion of the first visit to Asia by President Barack Obama.

⁶ See, for instance, Fareed Zakaria, *The Post American World*, New York, W.W. Norton, 2008 and Kishore Mahbubani, *The New Asian Hemisphere: Irresistible Shift of Power to East*, New York, Perseus Books, 2008.

seemed to have two related objectives. The first was to signal support of his country for the democratic regimes in the Asian continent. His visit was confined to the democratic countries in Asia, thus giving a clear message that Washington would support democracy in Asia's political development rather than Chinese style of authoritarian rule. The second aim was to signal the arrival on the global scene of India as a near-superpower. The most noted statement of the second visit was to indicate that President Obama did not see India as a rising power but as a power that had already risen.⁷ Obama also pleased his Indian hosts by promising that Washington will lend support to India's efforts to gain a permanent seat in the United Nations Security Council. If that were to happen India would advance to the same status China has as a veto-wielding global power.

The third visit factored in the extraordinary economic rise of China not foreseen when the first two visits were made. The first visit came while America and the West were still in the middle of an economic recession that, because of its intensity, came to be called "the Great Recession of 2008-09". However, there was an expectation that the recession, like most others in the post World War II period, would end as quickly as it had begun. That did not happen. The second visit was undertaken when the United States and Europe had begun to slowly climb out of the great recession while the Chinese and Indian economies were galloping ahead. The third visit came during a period of great economic uncertainty in the United States and Western Europe. While America, with a growth of two per cent in the third quarter of 2011, seemed to have avoided a "second dip" recession, Europe had plunged into a deep existential threat. Large sums of money were needed to pull several members of the European Union out of a worsening financial situation. Unless large amounts of capital were committed to bolster the finances of some of the weaker economies in the area, there was a real fear that some of them could go into default and bankruptcy. A significant part of the new money needed was expected to come from China. Beijing, while willing to help, also demanded a larger role in international finance. At the same time it was also beginning to flex its military muscle in the Pacific, willing to enforce its perceived rights in the resource rich waters in its neighbourhood.

The third Obama visit, acquired "containing and constraining China" as an implicit objective. This was reminiscent of the effort made by the administration headed by President Dwight Eisenhower when the objective was the containment of the Soviet Union which had expansionist ambitions. However, unlike the 1950s, Washington, in 2011, was not entirely focused on military alliances to constrain China. President Obama mixed a heavy dose of economics with politics in the third visit. While there was agreement to base a few thousand US troops in northern Australia, the decision to start work on a Pacific trading arrangement was given greater importance and will ultimately be of great consequence.

⁷ See Shahid Javed Burki, "President Barack Obama in Asia – Searching the basis for a partnership", ISAS Working Paper No.102, 7 December 2009, Institute of South Asian Studies, National University of Singapore.

At the APEC meeting in Honolulu leaders from Canada, Japan and Mexico agreed to join nine Pacific rim countries – Australia, Brunei, Chile, Malaysia , New Zealand, Peru, Singapore, the United States and Vietnam – to create a new trading arrangement. Called, the Trans-Pacific Partnership, the TPP has the potential to rival the European Union in terms of its impact on global trade. It accounts for many more people and consumers than the EU, produces 40 per cent of world GDP, and has greater economic dynamism than the European Union. The TPP, by excluding China, aims to lessen China’s economic impact on the Pacific, while increasing that of America and Japan. If the TPP becomes a reality – and it is a large if – this will be the most important consequence of Barack Obama’s third visit to the Asian continent. The TPP will fundamentally restructure the international trading order. But this focus on having the United States become a trading and economic partner of the Asian nations was sidelined by the growing concern with Beijing’s military might. This is reflected in the United States’ new defence strategy made public on 5 January 2012.

US Defence Strategy review

In a rare visit to the Pentagon, President Barack Obama revealed a major shift in his country’s defence strategy. This was the first time in the history of the Pentagon that a president had spoken from its briefing room. The eight page strategy document was the outcome of a series of meetings in which Obama took an active interest and laid out his views about the military strategy in Asia and the Middle East. It also reflected the need to bolster cyber-warfare capabilities, special operations forces and other elements that would emerge in the document. “Under the Budget Control Act, signed by Obama in August as part of the hard won deal with Congress to lift the borrowing limit, the Pentagon budget must be reduced by about US\$487 billion in the next decade, a roughly 8 percent decrease. But under a process known as sequestration, that figure could double if Obama and Congress fail by the end of the year to cut an additional US\$1.2 trillion in government spending in the next decade”.⁸ By involving the top military brass in the preparation of the new strategy, Obama ensured that he would have their support when the inevitable confrontation came with the Republican Party dominated Congress. The president also gave clear indication that he and his administration will not accept any further cuts in military expenditures beyond those included in the new strategy document.

However, even with the planned cuts, President Obama felt it was necessary to assure the American public that the country’s position in the world would not be hurt. “The United States of America is the greatest force for freedom and security that world has ever known, And in small measure, that’s because we’ve built the best-trained, best-led, best-equipped military in history – and as Commander-in-Chief, I’m going to keep it that way”, said the president in the opening part of his statement at the Pentagon. He said that the time had come to turn the page on a decade of war. He reminded his audience the role his country had played

⁸ Scott Wilson and Greg Jaffe, “A strong defense for Obama: Military’s support for his budget may outflank Congress”, *The Washington Post*, 8 January 2012, pp.A1 and A110.

in fighting terrorism – “we’ve delivered justice to Osama bin Laden” – and helping the Arab world move towards democracy – “we joined allies and partners to protect the Libyan people as they ended the regime of Muammar Qaddafi” – and promised that the Americans would remain actively involved in world affairs. He made clear that the strategy he was making public took shape with his active involvement. “But I just want to say that this effort reflects the guidance that I personally gave throughout this process”. His involvement along with that of the senior leaders of the military in shaping the defence strategy will ensure America’s dominance on the world stage. “Yes, our military will be leaner, but the world must know the United States is going to maintain our military superiority with armed forces that are agile, flexible and ready for full range of threats”. But he wanted his nation to fully comprehend the changes he and his administration were making. “I firmly believe, and I think the American people understand that we can keep our military strong and our nation secure with a defence budget that continues to be larger than roughly the next 10 countries combined.”⁹

As was to be expected both expert and political opinion was divided about the wisdom of the new strategy. “Critics will also argue that a one-war paradigm could weaken deterrence” wrote Michael O’Hanlon in newspaper commentary. But the opposition was not pleased. He is the author of a well-regarded book, *The Wounded Giant: America’s Armed Forces in an Age of Austerity*¹⁰. “We do not want to trigger aggression from those who believe that America is powerless to deal with more than one ground conflict at a time... Ultimately strategy is about minimising, not eliminating, risk. The threats from maritime contingencies in the Western Pacific and Persian Gulf, and from fiscal weakness exceed those from simultaneous ground wars. The U.S. budget should be adjusted accordingly.”¹¹

But the American right was not prepared to buy the Obama doctrine. “Here is what the lessons of past 70 years really teach us: We cannot pick our enemies but our enemies will pick us” wrote Robert H. Scales, a retired army general and a former commander of the U.S. Army War College. “They will, as they have always done in the past, cede to us dominance in the air, on sea and space because they do not have the ability to fight us there. Our enemies have observed us closely in Iraq and Afghanistan and they have learned the lessons taught by Mao Zedong and Saddam Hussein: America’s greatest vulnerability is dead Americans. So our future enemy will seek to fight us on the ground where we have traditionally been poorly prepared. His objective will be to win by not losing, to kill as an end rather than as means to an end. And we will enter the next war again tragically short of the precious resource that we have neglected for six administrations: our soldiers and Marines.”¹² P. McKeon, a Republican congressman who is chairman of the House Armed Services Committee was

⁹ Barack Obama, “Remarks by the President on the Defense Strategic Review”, The White House, Office of the Press Secretary, 5 January 2012.

¹⁰ Michael O’Hanlon, *The Wounded Giant: America’s Armed Forces in an Age of Austerity*, Washington DC: The Brookings Institution, 2011.

¹¹ Michael O’Hanlon, “benefits of a one war posture: In order to confront different threats, we need specialized capabilities”, *The Washington Post*, 6 January 2012, p.A15.

¹² Robert H. Scales, “Forgetting the lessons of history”, *The Washington Post*, 6 January 2012, p.A15.

extremely critical: “This is a leads-from-behind strategy for a left-behind America” he told the press after President Obama released his strategy.¹³

The new strategy has five major components, four of these deals with the military and the fifth with America’s role in the world. First, there will be reductions in the size of the Army, the Marine Corps and the nuclear arsenal. In the past decade, the Army increased to about 570,000 from 482,000 before the two wars in Iraq and Afghanistan. Its size will shrink to 520,000. The Marines will also have fewer soldiers. And under the New START pact with Russia, ratified by the US Senate in December 2010, the two countries are required to reduce their nuclear weapons deployed on long-range missiles from 5,000 to 1,550.

Second, there will be a retreat from large-scale counterinsurgency operations as a way to stabilise war-torn countries. Instead, there will be greater focus on building the capacity of the special forces and improving the arsenal of unmanned aircraft – the “drones” – the assets that have been effectively used in Afghanistan and Pakistan. It was a combination of these two assets that killed Osama bin Laden in Abbottabad, Pakistan. Their continued – perhaps even increased – use will reduce the need for large forces. America will fight most future wars from the air than on the ground.

Third, there will be scaling back of another Cold War strategic construct. “For decades the military has adhered to a policy of maintaining enough forces to fight two regional wars at once. The new strategy commits the Pentagon to being able to fight a single large-scale war while retaining enough forces to deter or impose unacceptable costs on an opportunistic aggressor in a second region”.¹⁴ Fourth, the strategy aims to lower personnel costs through curtailing expenditures on pay, health care and other benefits for military personnel. This part of the strategy was to meet the requirement set out in the agreement between President Obama and the leadership of the Republican Party in August 2010 in connection with the fight over the debt ceiling.

The changes in the defence strategy were motivated by a number of considerations. Paramount among them is the difficult fiscal situation in which the United States found itself after the Great Recession of 2008-09. The country could not afford to pay for the kind of military it had as a result of its involvement in two wars. As he has done before, President Obama cited President Dwight D. Eisenhower’s maxim that military spending “must be weighed in light of a broader consideration: the need to maintain balance in and among national programmes. After a decade of war, and as we build the source of our strength – at home and abroad – it’s time to restore that balance”.¹⁵ However, as *The Washington Post* pointed out in an editorial that gave general support to Obama’s strategy “when Mr Eisenhower spoke those words, defence spending represented more than nine per cent of US

¹³ Craig Whitlock and Greg Jaffe, “Pentagon braces for a future of shrinking forces”, *The Washington Post*, 6 January 2012, pp.A1 and A14.

¹⁴ *Ibid.*

¹⁵ Barack Obama, “Remarks by the President on the Defense Strategic Review”, The White House, Office of the Press Secretary, 5 January 2012.

gross domestic product. Under Mr Obama's plan it would drop from about 4.5 percent to under three per cent".¹⁶ As a percentage of gross domestic product, America's military expenditure will decline and get closer to the world average.

Impact on South Asia

Of special significance for the countries in Asia is the fifth element in the strategy – the declaration that there will be greater focus on the Asian continent. In his speech at the Pentagon, President reminded the audience of the steps he had already taken to strengthen the American presence in that continent during his third visit to Asia. "As I made clear in Australia, we will be strengthening our presence in the Asia-Pacific, and budget reductions will not come at the expense of that critical region" he said.¹⁷ This is because of the increasing concern in Washington about rising China and Beijing's commitment to increasing its military strength. That the United States was worried about China's increasing military capacity and its intentions in the Asian and Pacific regions was signalled by the American president during that visit. However, in the public pronouncements about the new strategy, the American leadership focused more on the interests shared by Beijing and Washington rather than on the differences that may provoke military action. In a television interview Leon Panetta, the Secretary of Defence, said that both China and the United States were interested in peace and stability in the Korean Peninsula, in combating terrorism, and in keeping the sea lanes open for traffic.¹⁸

There are likely to be several consequences for South Asia of this change in America's strategic stance. The sub-continent could become the stage on which the large powers will play the new great game. India and Pakistan, South Asia's largest countries, are likely to find themselves on the opposite side of the new great power divide. If the strategy works according to its design, this time around India will be more closely aligned with Washington than Pakistan. There is an irony in this since in the Cold War the Indians, under Prime Minister Jawaharlal Nehru, sought to distance themselves from the two superpowers of the day – the United States and the Soviet Union. Nehru and some other Asian and African leaders then developed a strategy that resulted in what came to be called the Non-Aligned Movement. Pakistan, on the other hand, sought a close relationship with the United States which it was able to obtain. But the situation has now changed in a dramatic way.

Since the days of President Bill Clinton Washington has courted India to become its partner. Initially the American interest in India was for economic reasons. American businesses were attracted to the country because of its well-trained manpower that could provide all kinds of back-office support to the businesses in the United States. For many large corporations, India

¹⁶ *The Washington Post*, "A reduction in force", 7 January 2012, p.A14.

¹⁷ Barack Obama, "Remarks by the President on the Defense Strategic Review", The White House, Office of the Press Secretary, 5 January 2012.

¹⁸ Interview with Jeffrey Brown of the Public Broadcasting Service for the Newshour program on 5 January 2012.

became an important strategic partner.¹⁹ As the Indian economic growth picked up and the country developed a large middle class with tastes for Western products, many businesses saw an opportunity to sell their goods in the Indian markets. For several years now large retailers such as Wal-Mart have tried to gain access to the Indian markets. If they have not succeeded it is because of the Indian political imperatives not for the lack of trying.

President George W. Bush carried further the United States' interest in India. He developed a close relationship with Manmohan Singh, the Indian Prime Minister, and used it to draw New Delhi closer to Washington. One of the rewards offered to India was an agreement that virtually bestowed the status of a nuclear power to the country, something that had been denied since India's decision to develop nuclear weapon systems had defied the assumption on which the Nuclear Non-Proliferation Treaty was based. It was assumed that the possession of these weapons would be confined to the five countries that possessed them when the treaty was negotiated. India was now being effectively admitted into that exclusive club with the United States, Russia, Britain, France and China as members. During his visit to India in November 2011, President Obama completed the American turnaround by declaring his country's support for the Indian wish to get a permanent seat in the UN Security Council.

It would not be healthy for South Asia if the United States' growing concern about China's increasing influence results in promoting rivalry between China and India. A healthy competition between the two Asian giants will serve the two well. It will also promote Asia's economic development. What would not help is Washington's use of India to balance China's rise and thus have New Delhi serve its strategic interests.

The deteriorating relations between the United States and Pakistan as result of a series of events in 2011 have presented the policymakers in Washington with a choice. They can work to resolve the differences and remain engaged with the country that remains critical to its long-term – not just short-term – strategic interests. Or they can simply walk out of the country as was done in 1989 when Pakistan's usefulness to the United States diminished after the Soviet Union was pushed out of Afghanistan. There is considerable temptation to adopt the latter approach. That is certainly the case in Congress which has already declared its intention to reduce the amount of military assistance and economic aid promised to Pakistan.

The new United States defence strategy, by focusing so much attention on China, is bound to further complicate the situation and add another element in the American-Pakistani equation. With heavy dependence on external flows to retain some dynamism in the economy and with the Americans threatening to reduce their assistance, Islamabad reacted by attempting to draw even closer to Beijing. This effort was only partially successful; Beijing, with its eye on Washington, was not inclined to walk into Pakistan to fully compensate for the threatened American withdrawal. But Beijing may rethink its cautious approach. If the defence strategy sends the message to Beijing that China-containment had become the main interest for the

¹⁹ How corporate America discovered India is told in fascinating detail by the American journalist Thomas L. Friedman, *The World is Flat: A Short History of the 20th Century*, New York.

United States in world affairs, the Chinese may change the way they had reacted to Pakistan's overtures and seek to list Islamabad as its partner to counter the American moves. And if the United States responds by getting even closer to India what will result is a four-power "great game" with America and India seeking to containing China and China and Pakistan working together to limit Washington's influence in their geographic space. This will be unhappy development for South Asia.

What is needed instead is a deep American and Indian involvement in helping Pakistan to develop its political system and its economy to guide the on-going revolution in the Middle East and several other Muslim countries into the right channels. Drawing a connection between the Arab Spring and Pakistan's development as a way of helping the West's strategic interests may, at first sight, seem bit of a stretch. But such a link becomes apparent when the dynamic unleashed by the events in the Middle East is put in a historical perspective.

What is at issue now is the direction the Arab Spring is likely to take? The first series of elections in the Arab world – in Morocco, Tunisia and Egypt – following the street revolution has brought parties with strong Islamic roots into prominence. In Tunisia the party with strong Islamic leanings that was suppressed by the now deposed regime has won the most seats in the assembly that will write the country's constitution. Egypt's final round of elections will end in late January but it is already clear that the party affiliated with the Muslim Brotherhood will have the largest presence. It might win one-half of the seats while another quarter will likely be taken by the Salafists. The revolution was brought about by disaffected youth but its consequences will not bring them into political power. "So why are so many Arabs voting for parties that seem regressive to Westerners?" asks John M. Owen IV, a professor of politics at the University of Virginia and the author of an important book on the clash of ideas and politics²⁰. His answer: "Liberalism in the 19-century Europe and Islamism in the Arab world today, are like channels dug by one generation of activists and kept open, sometimes quietly, by future ones. When the storms of revolution arrive, whether in Europe or in the Middle East, the waters will find those channels. Islamism is winning out because it is the deepest and widest channel into which today's Arab discontent can flow".²¹

But today's revolutions are different from those that came earlier; they are taking place in full global view where those participating in them are in constant communication with those watching them. It is unlikely that the liberal forces that relieved the countries of absolutist leadership will easily give way to the dominance of political forces that may take the affected countries towards another form of control. This happened in Iran in the late 1970s. To ensure that Islamists, even if they win elections, will not dispense with liberal democratic forms, the liberal forces are looking for models in which religious parties are embedded within democratic systems. Pakistan could be a model of this if its fledgling democratic system succeeds. Pakistan, at this time, is deeply involved in containing the rise of Islamic extremism. One way to deal with it is to combine the use of force with accommodation.

²⁰ John M. Owen IV, *Religion, the Enlightenment, and the New Global Order*, New York, Columbia University Press (Columbia Series on Religion and Politics), 2011.

²¹ John M. Owen IV, "Why Islamism is winning", *The New York Times*, 7 January 2012, p.A19.

Those not prepared to work within the established legal framework must be dealt with firmly while those inclined to use the norms of democracy to advance their agendas must be given accommodation. Pakistan's difficult political evolution is being watched by many in the Middle East. If it succeeds it will be seen as an example to be replicated. However, the United States by withdrawing its support at such a critical time and forcing the new great game on South Asia, will unleash another dynamic that could seriously set back the Pakistani experiment. A strong anti-American sentiment would undoubtedly help the Islamic groups and inhibit the more liberal forces.

There is another struggle going on in many parts of the Muslim world. That has to do with another type of accommodation: of the military within the evolving democratic systems. This struggle is manifesting itself in different ways in Egypt, Turkey and Pakistan. In Egypt the military that is in charge of the process of political transition is attempting to carve out a role for itself that is not acceptable to the political forces. These want the men in uniform to leave the political space altogether. In an interview with *The New York Times* on 8 January, Essam el-Erian the head of the Islamic party that won the most seats in the parliament said the Muslim Brotherhood does not expect the military rulers to relinquish all power on their own. The parliament's first step in ultimately removing them would be to defend the elected body's authority to choose, on its own, the members of a planned 100-person constitutional assembly.²² In Turkey a political party with strong roots in the country's Islamic tradition wants to limit the role of the military. The armed forces claim to have the mandate to protect the country's more recent secular traditions. They have intervened in politics several times to defend Kemalism –the ideology that Mustapha Kemal, the founder of modern Turkey, left behind as his legacy. Kemal had turned his country away from Islam and moved it aggressively towards European style liberalism. In Pakistan the military, having governed the country for half of its 64 year history, is not prepared to give up its control over some aspects of policymaking. It is trying hard to retain its influence over the direction taken by the country's evolving relations with India and the United States. This is one more area in which the struggle between the civilian political forces and the military would be set back by a major change in the American strategic stance. There is, in other words, a great deal that rides for South Asia on how Washington implements its new defence strategy.

Conclusion

The new strategy will impact all parts of the world, not just Asia. How it will affect Europe was commented upon at some length by *Financial Times* in an editorial. "What this change in US policy must do is prompt Europe to think harder about its own capabilities. For the past half century, Europe has assumed that the US will rush to its aid in any crisis. That assumption no longer holds. In Libya, last year, the US warned that it expects European

²² David Kirkpatrick, "Islamists in Egypt back date of handover", *The New York Times*, 9 January 2012, pp.A4 and A6.

nations to take the lead when crisis erupt in their own backyard. Yet Europe's reaction to that warning – and to US shift towards Asia – has thus far been disappointing.”²³

Some of the consequences for South Asia might not materialise if the changes in the strategy hit ground reality. China's threat and a political explosion in North Korea could draw the United States more deeply into Asia. These are the threats that President Obama and his team had in mind when they crafted the strategy. But the real threats may come from other parts of the world. As *The Washington Post* pointed out in an editorial quoted above, “the judgment that such [large ground] operations can be ruled out for the next decade strikes us as at odds with reality of a Middle East in revolution, an increasingly belligerent Iran and a North Korea undergoing an unpredictable leadership transition – to name just the most obvious threats. Afghanistan itself is due to be the site of US counterinsurgency operations until 2014, and tens of thousands of troops will remain for many years afterward if a pending deal with the Afghan government is completed”.²⁴ To deal with such eventualities, the strategy had incorporated the concept of reversibility which was based on the assumption that in reducing the size of the military, the Pentagon will maintain the capacity to quickly ratchet up in case there was the need for increasing the number of “boots on the ground”.

It also became clear that a defence strategy focused mostly on the United States' technological superiority would not deliver the results Washington was looking for. The strategy had to be broad-based and also embedded in the economic and political development of the area where the fight was against the non-state sector. An evidence of this was noted by *The New York Times* in a story published a few days after the new strategy was made public. According to the newspaper's Eric Schmitt, “nearly two month lull in American drone strikes in Pakistan has helped embolden several Pakistani militant factions to regroup, increase attacks against Pakistani security forces and threaten intensified strikes against allied forces in Afghanistan.”²⁵ CIA last conducted an air strike 16 November, 2011. The lull in the attacks was the longest since July 2008 but came to an end on 11 January 2012 when “missiles fired from a remotely piloted aircraft struck a house outside of Miram Shah in the North Waziristan tribal area killing at least three militants”.²⁶ It was only partly the result of the successes scored in the past since the high value targets that attracted the drones were now fewer in number. A much more important reason was the deterioration in relations between the two countries following the arrest but subsequent release under American pressure in January of Raymond Davis a CIA operative who killed two Pakistanis; the Navy Seal raid on 2 May 2011 that killed Osama bin Laden; and the American attack on 26 November on two Pakistani military posts in which 24 soldiers were killed.

²³ Financial Times, “Europe should heed shift in US defense: Its time the EU decided to look after itself militarily”, 9, January 2012.

²⁴ *The Washington Post*, “A reduction in force”, 7 January 2012, p.A14.

²⁵ Eric Schmitt, “Lull in strikes by U.S. drones aids militants”, *The New York Times*, 8 January 2012, pp.1 and 12.

²⁶ Eric Schmitt, “Pakistan drone strikes resume”, *The New York Times*, 11 January 2012, p.A10.

In conclusion what can be said with some confidence is that the new strategy unveiled by President Obama at the Pentagon on 5 January will have significant consequences not only for the continent's eastern part but also for its south. Depending upon how it is executed, it could destabilise South Asia or help to better integrate it with the rest of the world in the evolving economic and political systems. The former will be the outcome if Washington chooses to treat China as an adversary rather than as a partner. The latter would happen if America's continued military predominance is used to put out the fires that will light up in many parts of an increasingly troubled and turbulent world.

China's immediate reaction was cautious while its senior leaders debated among themselves the implications of the new strategy for their country. "Xinhua, the state news agency, published a relatively muted response to the Obama plan. [It] warned the US to 'abstain from flexing its muscles' and avoid acting like 'a bull in a China shop', but added that if 'fulfilled with a positive attitude and free from cold war style mentality' the new strategy would 'not only be conducive to regional stability and prosperity, but be good for China, which needs a peaceful environment in which to continue its economic development'."²⁷ In other words, the Chinese response was in line with the main conclusion of this analysis: the real outcome of the strategy will be on how it is implemented.

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²⁷ Patti Waldmeir, "China's media attacks US defense shift" *Financial Times*, 9 January 2012, p.3.