

THE
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SERIES

**THE US PIVOT TO ASIA
AND IMPLICATIONS
FOR AUSTRALIA**

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The *Centre of Gravity* series is the flagship publication of the Strategic and Defence Studies Centre (SDSC) based at The Australian National University's College of Asia and the Pacific. The series aspires to provide high quality analysis and to generate debate on strategic policy issues of direct relevance to Australia. *Centre of Gravity* papers are 1,500-2,000 words in length and are written for a policy audience. Consistent with this, each *Centre of Gravity* paper includes at least one policy recommendation. Papers are commissioned by SDSC and appearance in the series is by invitation only. SDSC commissions up to 10 papers in any given year.

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Cover Photo, of US President Obama inspecting the RMC Duntroon Band during his official visit to Canberra in 2011. Photo courtesy of the Australian Department of Defence.

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EXECUTIVE SUMMARY

- > The US pivot has been a largely strategic/military initiative
- > The pivot has contributed to a deterioration in regional stability
- > Australia needs to be cautious in the approach it takes to ensuring its national interests

POLICY RECOMMENDATION

Australia's geopolitical distance from the South China Sea and the East China Sea and China's limited naval capabilities in distant waters allows Australia to distance itself from the region's territorial conflicts without jeopardising its national security or alliance cooperation with the United States.

The conflicts involve insignificant islands that possess minimal economic and strategic value for both the United States and Australia. The leadership transition at the US Department of State presents Canberra with the opportunity to support and encourage US reconsideration of the pivot in an effort to restore regional stability

Equally important, Australia's cooperative relationship with China positions Canberra well to encourage the new Chinese leadership to reconsider China's hard-line position on East Asian territorial disputes. Rather than become entangled in regional disputes, Australian foreign policy can contribute to US-China cooperation and to a restoration of regional stability.

In 2010 the United States launched its "pivot" to East Asia. Largely a response to China's belligerent diplomacy in 2009-2010, the pivot aimed to reassure its regional allies that despite the US-led wars in Iraq and Afghanistan and the US economic recession, the United States had not abandoned East Asia and that it retained the capability and the resolve to sustain a regional presence sufficient to balance the rise of China and to maintain the security of its key regional security partners.

Although the pivot was a response to Chinese policy and regional concerns regarding US resolve, since 2010 the territorial disputes in the South China Sea and the East China Sea have escalated, the likelihood of armed conflict has increased, regional polarisation is developing, and there is diminished cooperation in US-China relations. Greater regional instability and US-China differences have not only created challenges for American foreign policy, but they have also created foreign policy challenges for the regional powers, including Australia.

The Pivot to East Asia and Continuity in US Policy

The Obama administration has described the pivot as a multifaceted diplomatic, economic and military initiative to enhance America's commitment to East Asia stability. Nonetheless, the economic component of the pivot is an aspirational objective. The centrepiece of this initiative, the Trans-Pacific Partnership (TPP), may one day become a central institution in regional economic cooperation, but its future remains very uncertain. The administration's diplomatic effort has focused on greater US cooperation with ASEAN, yet ASEAN is more divided today than at any time since its establishment.

Ultimately, the pivot has primarily been a strategic/military initiative. Nonetheless, despite US declarations, there is little new in the Obama administration's defence policy for East Asia. The 1996 Taiwan Strait confrontation was the catalyst for the US pivot from Europe to Asia. In 1997 the United States transferred its first Los Angeles-class submarine from Europe to Guam. The William J. Clinton and George W. Bush administrations then deployed every advanced US weapons system to East Asia, including the F-15, F-16 and F-22 fighter planes, the B-1 and B-2 bombers, the Los Angeles-class and the Virginia-class attack submarines, and the converted Ohio-class cruise missile submarine. The US Navy designated a second aircraft carrier for operations in Asia. The US military also stockpiled cruise missiles and established a crisis operations centre in Guam.

In 2012 the Obama administration committed to the deployment of 60 percent of US naval ships to East Asia. But prior to then the US Navy had already deployed 58 percent of its ships to Asia. As early as

2005 the US Department of Defence planned the deployment of 60 percent of US submarines to Asia. The wars in Iraq and Afghanistan only marginally affected US budget allocation for East Asia; the wars were primarily resourced by congressionally funded quarterly supplemental budgets, so that the regular annual defence budget has continued to increase at prior rates.

Since 1997 the United States has also bolstered cooperation with its regional security partners. Despite the political difficulties with Japan over the US military presence in Okinawa, functional US-Japan defence cooperation significantly expanded during the Clinton and Bush administrations, including cooperation regarding the conflicts in Iraq and Afghanistan and in preparation for conflict in East Asia. In 1999 Singapore opened its Changi naval facility that was designed to receive a 100,000 ton US aircraft carrier. The United States also expanded naval cooperation with Malaysia and Philippines. Since the 1990s the United States and Australia have cooperated in the expansion of satellite communication and reconnaissance facilities in northern Australia.

The Pivot's Strategic Initiative in East Asia

Despite the Obama administration's assertions that the US has "returned to Asia" or that it is "rebalancing," continuity, rather than change, primarily characterizes the trend in contemporary US security policy toward East Asia. Nonetheless, there have also been significant changes in US policy that have affected regional security affairs. First, the United States has adopted a higher profile policy in support of its allies involved in maritime territorial disputes with China. Whereas prior administrations have avoided intervention in the South China Sea territorial disputes over the Spratly Islands, US regional diplomacy in 2010 and Secretary Hillary Clinton's comments in Hanoi in July 2010 and in the Philippines in 2011 and President Obama's comments in the Philippines in 2012 have aligned the United States with the Southeast Asian claimants against China. During the 2012-2013 Sino-Japanese dispute over the Senkaku/Diaoyu islands, frequent statements by the US Secretaries of State and Defence have strengthened the US alliance commitment to defend Japanese control over the islands.

“US regional diplomacy... has clearly aligned the United States with the Southeast Asian countries against China”

In 2010 the United States expanded defence cooperation with Vietnam. Whereas previous administrations had resisted Hanoi's interest in defence cooperation, in 2010 Secretary of State Clinton twice visited Hanoi and called for a US-Vietnam "strategic partnership," Secretary of Robert Gates visited Hanoi, a US aircraft carrier hosted Vietnamese civilian and military leaders, and the United States held its first joint naval exercise with Vietnam. Since 2010, the United States and Vietnam have held annual naval exercises. In 2012 Secretary of Defence Leon Panetta visited Cam Ranh Bay and announced that Cam Ranh Bay would be a major part of the US Navy's presence in East Asia. The United States also initiated defence cooperation with Cambodia, including joint ground and naval exercises.

The Obama administration changed US policy toward South Korea. The Bush administration removed US deployments from between Seoul and the De-Militarized Zone, reduced the US troop presence in South Korea by 40 per cent, reduced the frequency and scale of US-South Korean joint exercises, and committed to transferring operational control (OpCon) of South Korean forces to Seoul in 2012. Although North Korea's conventional war-fighting capacity has rapidly deteriorated vis-à-vis South Korea over the past decade, the Obama administration has increased the US troop presence in South Korea, increased the scale and frequency of US-South Korean joint exercises, and deferred OpCon transfer to 2015.

East Asia after the first Obama Term

In 2013, three years after the Obama administration initiated its pivot to East Asia, the region is less stable than at any time since the end of the Cold War. North Korea has issued ever more belligerent threats of war and it continues to develop its nuclear weapons and missile capabilities. In 2012 the Sino-Philippine territorial dispute escalated, with a prolonged and tense stand-off at Scarborough Shoal. Sino-Vietnamese relations have similarly deteriorated; since 2010 maritime incidents have become more frequent and dangerous. The 2012 Sino-Japanese territorial dispute has remained a major issue into 2013, with the potential for significant escalation.

Since 2010 US-China relations have also deteriorated. As the United States has sided with other countries against China in the region's territorial disputes and developed greater strategic presence in Indochina and on the Korean Peninsula, Chinese leaders have become increasingly suspicious of US strategic intentions. They now perceive greater strategic encirclement than strategic engagement in US policy toward China. Overall, the US-China relationship is now less cooperative than at any time since China's 1989 June 4 incident. US-China differences have also contributed to growing regional polarisation. For the first time, in 2012 the Southeast Asian countries were unable to issue a consensus ASEAN communique. Cambodia, supporting China's position on the territorial disputes, resisted the Philippines' effort to gain ASEAN support for its negotiating position on the Spratly Islands. Other ASEAN countries have preferred to watch from the sidelines, rather than become embroiled in a meaningless and destabilising territorial dispute.

There are many influential sources of the growing regional instability, including Chinese nationalism, growing anti-China sentiment in Japan, the Philippines, and Vietnam, and leadership transitions throughout the region. Nonetheless, the United States remains the most powerful country in the world and it is still the preeminent maritime power throughout East Asia. The foreign policy of every country in East Asia necessarily reflects the effect of American foreign policy on its security and on its foreign policy options. For the United States and for East Asian countries, the situation is worse today than three years ago and US policy has contributed to this situation.

The US Pivot, Regional Instability, and Implications for Australian Foreign Policy:

As regional tension has increased and the United States and China have adopted opposing positions on regional conflicts, the East Asian states risk involvement in conflicts peripheral to their national security. Australia is not an exception. As a close American ally, it can be drawn into regional conflicts that could affect Australian security.

Australia occupies a unique strategic location in East Asia. With New Zealand, among the East Asian countries it faces the least strategic challenge from the rise of China. Despite significant Chinese military modernisation and the expansion of its submarine force, China's naval surface fleet, including its aircraft carrier, cannot contend with many regional air forces in the southern parts of the South China Sea, much less carry out advanced naval operations in Australian waters. China's most advanced aircraft and conventional missiles cannot reach Australia. Australia is relatively energy independent and its shipping through the South China Sea is minimal, except for its trade with China.

Australia does not face a "China threat" and it will not face a significant Chinese security challenge for many years. Meanwhile, Australia has been a major beneficiary of Chinese economic modernisation. Its exports to China enabled it to avoid the worst effects of the global financial crisis.

Australia's geopolitical distance from the South China Sea and the East China Sea allows Australia to distance itself from the region's territorial conflicts without jeopardising its national security. These conflicts involve insignificant islands that possess minimal economic and strategic value. The island disputes have developed political significance because of the domestically-driven nationalist hard-line policies of the claimants, including China, and because of heightened US intervention in opposition to Chinese policy. In the first decade of the twenty-first century Australia made clear that it had only minimal interest in the mainland-Taiwan conflict and suggested that it would not become involved in a cross-strait war, despite the US commitment to the defence of Taiwan. The current territorial disputes in the South China Sea are less central to US-China relations and to regional stability than the prior US-China tension over Taiwan, so that Australia now has even greater policy flexibility and even less imperative to become involved in these territorial disputes, regardless of American policy.

Towards Renewed Regional Stability

President Obama's appointment of John Kerry as Secretary of State and the recent leadership succession in China offer an opportunity for the United States and China to reevaluate the current course of relations and to seek improved relations. Since late 2012 Washington has avoided explicit discussion of the sovereignty aspects of the South China Sea territorial disputes and it has stressed strategic cooperation with its traditional allies, rather than greater defence cooperation with new partners, such as Vietnam and Cambodia. In contrast to Secretary of State Clinton, Secretary of State Kerry's first foreign visit was to Europe, suggesting an interest in lowering the prominence of the pivot in American foreign policy. These are all positive developments and, should China reciprocate US overtures, may contribute to greater regional stability and greater US-China cooperation on regional conflicts.

Australia's stake in East Asia's territorial disputes and in recent US-China differences is minimal. Canberra can welcome and even encourage US reconsideration of the pivot and an effort to restore regional stability. Equally important, Australia's cooperative relationship with China positions Canberra to encourage the new Chinese leadership to reconsider China's hard-line position on strategically and economically inconsequential territorial disputes. Rather than become entangled in regional disputes, Australia can contribute to a restoration of regional stability.

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