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The Power of Balance: *America in iAsia*

By Kurt M. Campbell, Nirav Patel, Vikram J. Singh



Center for a
New American
Security

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Cover Image

Globe showing Asia and network lines.

Source: Getty Images, 2008

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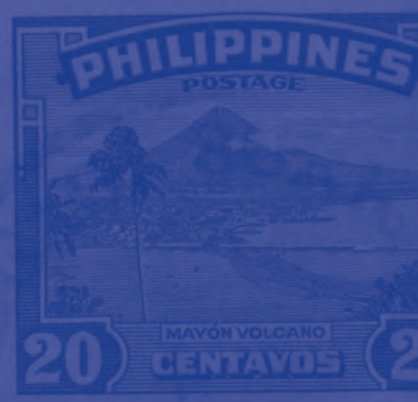
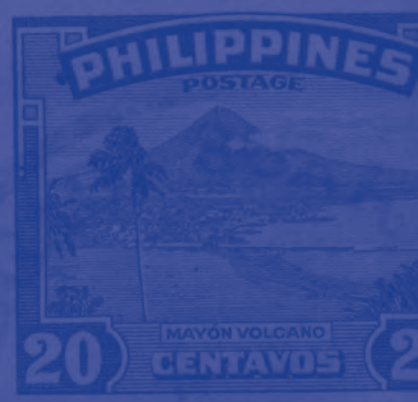


TABLE OF CONTENTS

Executive Summary	5
Introduction	9
Part I: Emerging iAsia	13
The American Hand in iAsia	16
Part II: Challenges and Opportunities in iAsia	25
Defining the Challenges in iAsia	28
North Korea	30
New Nuclear Politics	33
Cross-Straits	36
The Rise — and Possible Faltering — of China	39
Resurgent Russia in Asia	47
Southeast Asia	49
Energy Competition and Climate Change	51
Partisanship and Pragmatism: Challenges to Bridging the Pacific Divide at Home	53
Asian Perceptions of the “Party Line”	56
Part III: A Power of Balance Strategy for America in iAsia	59
American Strategy in the Asia-Pacific	60
Strategic Thought in iAsia: Beyond America	68
Toward a Power of Balance Strategy	72
(1) Reassert Strategic Presence	73
(2) Maintain Strong Bilateral Ties	74
Japan	74
South Korea	75
Australia	76
India	76
Taiwan	77
Singapore	78
Southeast Asia	79
(3) Get in the Game and Engage More Actively in Regional and Multilateral Forums	80
Attendance is Mandatory	80
Minilateral and Trilateral Meetings	81
Values-Based Architecture	82
(4) Articulate a Realistic and Pragmatic China Policy	83
(5) Cooperate on Climate Change	87
(6) Radical Islam in Southeast Asia: Winning Hearts and Minds	88
(7) Reexamine Military Engagement	89
(8) Broaden the Agenda	90
(9) Embrace an Asia that is Thinking Globally	91
(10) Be Bipartisan	92
Final Thoughts on America in iAsia	95



EXECUTIVE SUMMARY

The United States is fully invested in the Iraq and Afghanistan Wars and committed to a larger effort to overcome and undermine violent extremism globally. With the lion's share of American focus squarely on the Middle East and Central Asia, many worry that the United States is becoming a peripheral player on other key strategic issues. Certainly much has been achieved tactically in Asia over the course of the Bush administration, from successful disaster relief operations in Southeast Asia in the aftermath of the 2004 tsunami, to agreements that modernize and strengthen American alliances with Japan and Korea, to new levels of constructive engagement with both the People's Republic of China (PRC) and India. But the sum of America's tactical successes does not add up to a successful and comprehensive strategy. America's strategic preoccupation in Iraq and Afghanistan is undermining its ability

to adapt to major power shifts in the Asia-Pacific that are actively challenging America's traditional balance of power role in the region.

Faced with this challenge, when engaging with Asia, American policymakers must begin to think not in terms of the balance of power, but in terms of the *power of balance*. A balance of power perspective would see a zero-sum competition between states based largely on military power, and attempt to maintain a strong coalition of states to balance against a rising China. In contrast, a *power of balance* perspective is cognizant that the state is now just one of many actors in the international system, and sees many win-win situations in diplomacy and trade. An American strategy based on a *power of balance* perspective would recognize how nation-state power and behavior are impacted by forces like globalization, and how actors in Asia are vying for a more proactive role, both regionally and globally, in maintaining order and security. It would be balanced in terms of the tools it employs: while remaining cognizant of hard power considerations, it would emphasize soft power. And it would be balanced in terms of where and how it applies those tools with both state and non-state actors.

Grasping the power of balance is key to understanding how America should interact in a dynamic and integrating Asia-Pacific. We call this emerging reality in the region "iAsia," to describe a continent that is redefining the strategic landscape for the United States as a global power. The nations of iAsia are integrating, innovating, and investing in ways remarkably different from what American statesmen and international relations theorists have grown to expect and understand. A product of globalization, rapid economic growth, and shifting international power, these largely positive

iAsia is:

Integrating: iAsia includes increasing economic interdependence and a flowering of multinational forums to deal with trade, cultural exchange, and to some degree, security.

Innovating: iAsia boasts increasingly successful manufacturing and technology sectors and could start taking the lead in everything from finance to nanotech to green tech.

Investing: Asian nations are developing infrastructure and human capital at unprecedented rates.

But the continent remains plagued by:

Insecurity: Great-power rivalry is alive in Asia. Massive military investments along with historic suspicions, contemporary territorial disputes, and other conflicts make war in Asia plausible.

Instability: From environmental degradation to violent extremism to trafficking in drugs, people, and weapons, Asian nations have much to worry about.

Inequality: Within nations and between them, inequality in Asia is starker than anywhere else in the world. Impoverished minorities in countries like India and China, and the gap in governance and capacity within countries as backwards as Burma and as advanced as Singapore, present unique challenges.

trends are taking place even as the region remains plagued by insecurity between nations unsure of one another's intentions, instability driven by everything from terrorism to environmental degradation, and extreme inequality both between and within the states.

The epicenter of global power is no longer the Atlantic but the Pacific. China's ascent has arguably been one of the most rapid and consequential

in history, in many ways rivaling or even surpassing the significance of America's rise in stature during the first two decades of the last century. Rarely in history has a rising power gained such prominence in the international system at least partially because of the actions of—and at the expense of—the dominant power, in this case the United States. The arrival of the Pacific century has hastened challenges to American influence and power in the greater Asia-Pacific.

Asia is also rich with opportunity. Democracy continues to spread beyond the traditional outposts of Japan and South Korea. The continent now accounts for almost 30 percent of global GDP. And the world's most wired and upwardly mobile populations are Asian. Home to more than half the world's population, Asia is the manufacturing and information technology engine of the world. All the while, Asians are shaping a world that is ever more integrated. New regional forums like the East Asia Summit and the Boao Forum for Asia are redefining cooperation and fostering deeper ties.

A traditional approach to Asia will not suffice if the United States is to both protect American interests and help iAsia realize its potential and avoid pitfalls. Over the past two decades, George Shultz's "gardener" has been the abiding metaphor for managing America's equities and interests in the Asia-Pacific. America tended its Asian garden, sowing the seeds of democracy and free market ideology, and then nurturing their growth. As the garden matured, generations of U.S. policymakers attempted to keep Asian policies and politics on a path of liberalization and democratization. However, the gardener metaphor no longer has the necessary explanatory power to understand the complexities of Asia.

The next President of the United States, Republican or Democrat, will need to look again, and hard, at iAsia if he or she wants America not only to benefit from enduring patterns of

interaction, but simultaneously lead change in the Pacific (rather than merely reacting to the new order shaped by others). If in four or eight years the only thing America can say is that it has maintained and strengthened traditional bilateral alliances, policymakers will most assuredly have put American equities and strategic influence at risk. From business transactions to regional interaction, nations in Asia are increasingly eyeing a multilateral regional order that promotes stability and open markets. As these networks and institutions develop and mature, the United States must strive to be a participant in the process, an effort that will require adaptation to the iAsia environment with new policies and ideas.

Articulating a pragmatic and forward-looking strategy to deal with the complexities of the Asia-Pacific will be paramount. The concurrent challenges of fighting the war on terror and learning how to live with a rising China, in short, will require starkly different government efforts and capacities. Either one on its own would be daunting, and taken together, the tasks ahead may prove overwhelming. The power of balance offers critical insights into balancing commitments — while understanding the role that our friends and allies can play in mediating and managing challenges of similar interest. Indonesia and Malaysia have a vested interest in helping America counter Islamist terrorists both in Southeast Asia and in training camps in Pakistan which serve as hubs for many of the region's most hardened jihadist warriors. These nations, once insular in perspective, are becoming mature strategic players whose capabilities to deal with varying global challenges is increasing. Capitalizing on this maturity will prove critical to advancing American interests.

The next administration should also reassert America's strategic presence in the region by bolstering and expanding the scope of bilateral cooperation with treaty allies Australia, Japan,

and South Korea while working to broaden bonds with China, India, Indonesia, Singapore, and Taiwan. Bilateral alliances remain the lynchpin for American engagement in the region; however, they will prove increasingly limited in dealing with various transnational challenges, such as climate change, pandemic disease, and energy security. The nature of these threats requires cooperative solutions and American engagement in a variety of multilateral venues. America's absence from critical high-level meetings in many of these Asian multilateral forums, such as the ASEAN Regional Forum and East Asia Summit, should not be replicated by the next administration. Showing up for these meetings is important in and of itself and will provide opportunities to broaden and strengthen existing cooperation on vital issues. A clear U.S. government policy to have senior-level U.S. participation in these venues will prove important to countering heightened Chinese influence in the region and perceptions that America no longer cares about Asia.

The foundation for America's strategic footprint in the Asia-Pacific has to be underpinned by a strong and stable bipartisan consensus. A degree of bipartisanship was a recurring feature of much of the Cold War era in American domestic politics and bitter divisions often stopped "at the water's edge," in Senator Arthur Vandenberg's immortal words. Bipartisanship has been conspicuously absent in recent foreign policy debates and this internal divisiveness hampers our effectiveness in the formulation and execution of American foreign policy. Given the magnitude of what lies ahead, a concerted effort to rediscover some common ground in American domestic politics (at least when it comes to foreign policy) may indeed be one of the most important ingredients for a successful foreign policy balancing act.



"The transfer of power from West to East is gathering pace and soon will dramatically change the context for dealing with international challenges — as well as the challenges themselves. Many in the West are already aware of Asia's growing strength. This awareness, however, has not yet been translated into preparedness."

—James F. Hoge, Jr. in *Foreign Affairs*, July 2004



INTRODUCTION

Several years ago, during a meeting in the Office of the Asia-Pacific Directorate at the Pentagon, a distinguished group of Japanese strategists were meeting with American officials to discuss the pressing challenges of the day. The able Japanese interpreter positioned between the two sides tried gamely to keep up with the fast-flowing conversation. One Japanese participant was referring frequently to the “balance of power” between the greater players of the Pacific, but the phrase kept being (mis)interpreted as the “power of balance.” Asia is the source of both ancient wisdoms, often cited, but also the occasional inadvertent insight such as the *power of balance*. This verbal slip was instructive for the challenges facing the United States in a rapidly changing world, particularly in the Asia-Pacific. In Asia today, the United States must balance pressing and urgent demands in the Middle East with the new requirements of a rapidly changing Asia, old and somewhat tired approaches towards the Asia-Pacific region with new ways of doing diplomatic business, and the need to sustain an open market system and smooth movement of workers and capital with labor and environmental concerns that grow more urgent every year. Above all, America must balance between sustaining leadership and encouraging the responsible rise of other powers.

The power of balance is different from the balance of power. While balance-of-power theorists focus almost exclusively on traditional military threats and are state-centric, the power of balance is guided by more fluid metrics. A balance of power perspective would see zero-sum competition between states in Asia, based largely on military power, and would encourage the creation of a coalition of states to balance against a rising China. A power of balance approach understands that the state is but one of many actors in the international system. An American strategy based on the power

of balance would recognize how nation-state power and behavior are impacted by forces like globalization and how actors in Asia are vying for a more proactive role, both regionally and globally, to maintain order and security.¹ Without ignoring the importance of nation-states and hard military power, a power of balance strategy would elevate the role of soft power, particularly the deft use of

“Asia is the source of both ancient wisdoms, often cited, but also the occasional inadvertent insight such as the power of balance.”

diplomacy. Such a strategy would require balance in terms of the tools America employs, allowing it to recapitalize power in Asia even as other centers of power in the region take shape.

Grasping the power of balance is key to understanding how America should interact in a dynamic and integrating Asia-Pacific. We call this emerging reality in the region “iAsia,” to describe a continent that is redefining the strategic landscape for the United States as a global power. The nations of iAsia are integrating, innovating, and investing in ways remarkably different from what American statesmen and international relations theorists have grown to expect and understand. A product of globalization, rapid economic growth, and shifting international power, these largely positive trends are taking place even as the region remains

¹For a more in-depth understanding of the interplay between globalization and American power in the Asia-Pacific please see Daniel Twining, “America’s Grand Design in Asia,” *The Washington Quarterly* (Summer 2007).

plagued by insecurity between nations unsure of one another's intentions, instability driven by everything from terrorism to environmental degradation, and extreme inequality both between and within the states.

Although Asian nations are ready to take the lead in dealing with many of these diverse challenges, American policymakers have yet to fully internalize how best to tap into Asia's desire to "step up." Some see these new dynamics more as a challenge rather than an opportunity for U.S. power. Indeed, many American experts on Asia have noted that the United States is wedded to predominance, and will not yield its position at the top of the hierarchy easily. Yet in some circumstances it may be best for America to lead by following. Transitioning beyond a focus on primacy to a focus that includes balance will not be easy, but such a transition needs to be part of a critical evolution of American strategic culture and foreign policy thinking that can help with recapitalizing American power in Asia. This report describes the emerging strategic landscape of iAsia, investigates the threats and opportunities faced by America as Asia transforms, and suggests that amidst such change, hope, and possibly turmoil, the power of balance is the best framework for shaping American strategy toward the region.



“With half the world’s population, one-third of the global economy, and growing economic, financial, technological, and political weight in the international system, Asia is key to a stable, prosperous world order that best advances American interests.”

—Richard Armitage and Joseph Nye, *Getting Asia Right through 2020*, 2007²

PART I: EMERGING iASIA

From Japan to India to Australia, Asia — more than any other part of the globe — is defined by opportunity. Asia is home to more than half the world's population. Democracy continues to spread beyond the traditional outposts in India, Japan, and South Korea. And the region is now an engine of the global economy. Politically and economically, Asians are shaping a world that is ever more *integrated*. New regional forums are reshaping cooperation and fostering deeper ties. Some are governmental, like the Association of Southeast Asian Nations (ASEAN) or the East Asia Summit, and some are more focused on the private sector, like the Boao Forum for Asia (an Asian Davos of sorts that brings together the political and economic elites of the region). Often the politics and commerce in these meetings overlap: Taiwan's new Vice President-elect Vincent Siew and Chinese Premier Hu Jintao met on the sidelines of this year's Boao Forum and set a dramatically new and positive tone for cross-Strait relations.³ Free trade agreements and massive flows of people as tourists, business leaders, workers, and migrants are also rapidly integrating Asian economies and infusing cultures.

Amidst this integration, *innovation* defines 21st century Asia. The world's most wired populations are Asian. The latest gadgets and most dynamic Internet communities are in Asia, where customers expect cell phones to stream video and conduct financial transactions. Asian visitors to the United States now often complain of the comparatively poor quality of American wired networks, particularly when compared with the dramatic innovations of online and mobile communication in Asia. Asia's emphasis on higher

learning is setting the stage for ongoing innovation, pushing Asia from manufacturing to services and design — the kinds of businesses that can drive longer-term economic growth. Today, Asia accounts for almost 30 percent of global GDP, in large part because it is the manufacturing and information technology engine of the world.

“Coexisting with the optimism of iAsia are the ingredients for internal strife, non-traditional threats like terrorism, and traditional interstate conflict, which are all magnified by the risk of miscalculation or poor decision-making.”

Asian *investment* is also at record levels. Asian countries lead the world with unprecedented infrastructure projects. With over \$3 trillion in foreign currency reserves, Asian nations and businesses are starting to shape global economic activity. Indian firms are purchasing industrial giants such as Arcelor Steel, as well as iconic brands of its once-colonial ruler, such as Jaguar and Range Rover. China's Lenovo bought IBM's personal computer

² Richard Armitage and Joseph Nye, *Getting Asia Right through 2020* (Washington, D.C.: Center for Strategic and International Studies, February 2007): 1.

³ See for example Tso Lon-di, “Siew-Hu meeting puts dialogue back on agenda,” *Taiwan Journal* (15 April 2008), available online at <http://taiwanjournal.nat.gov.tw/ct.asp?xItem=36446&CtNode=122>.

Emerging iAsia

We call the transformations across the Asia-Pacific the emergence of “iAsia” to reflect the adoption by countries across Asia of fundamentally new strategic approaches to their neighbors and the world. Asian nations are pursuing their interests with real power in a period of both tremendous potential and great uncertainty.

iAsia is:

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Innovating: iAsia boasts the world’s most successful manufacturing and technology sectors and could start taking the lead in everything from finance to nanotech to green tech.

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Insecurity: Great-power rivalry is alive in Asia. Massive military investments along with historic suspicions and contemporary territorial and other conflicts make war in Asia plausible.

Instability: From environmental degradation to violent extremism to trafficking in drugs, people, and weapons, Asian nations have much to worry about.

Inequality: Within nations and between them, inequality in Asia is more stark than anywhere else in the world. Impoverished minorities in countries like India and China, and the gap in governance and capacity within countries, whether as backward as Burma or as advanced as Singapore, present unique challenges.

A traditional approach to Asia will not suffice if the United States is to both protect American interests and help iAsia realize its potential and avoid pitfalls.

business and the Chinese government, along with other Asian financial players, injected billions in capital to help steady U.S. investment banks such as Merrill Lynch as the American subprime mortgage collapse unfolded. Chinese investment funds regional industrialization, which in turn creates new markets for global products. Asia now accounts for over 40 percent of global consumption of steel⁴ and China is consuming almost half of world’s available concrete.⁵ Natural resources from soy to copper to oil are being used by China and India at astonishing rates, driving up commodity

prices and setting off alarm bells in Washington and other Western capitals.

Yet Asia is not a theater at peace. On average, between 15 and 50 people die every day from causes tied to conflict,⁶ and suspicions rooted in rivalry and nationalism run deep. The continent harbors every traditional and non-traditional challenge of our age: it is a cauldron of religious and ethnic tension; a source of terror and extremism; an accelerating driver of the insatiable global appetite for energy; the place where the most

⁴International Iron and Steel Institute, “Steel production and consumption: geographical distribution, 2006,” (2006) <http://www.worldsteel.org/?action=storypages&id=199>.

⁵John Fernandez, “Resource Consumption of New Urban Construction in China,” *Journal of Industrial Ecology* 11:2 (2007): 103-05.

⁶Briefing U.S. Pacific Command (14 April 2008).

people will suffer the adverse effects of global climate change; the primary source of nuclear proliferation; and the most likely theater on Earth for a major conventional confrontation and even a nuclear conflict. Coexisting with the optimism of iAsia are the ingredients for internal strife, non-traditional threats like terrorism, and traditional interstate conflict, which are all magnified by the risk of miscalculation or poor decision-making.

Despite challenges and risks of regional insecurity, instability, and inequality, Asia will be integrating, innovating, and investing for years to come. America must continue to play a vital role in building the hardware that enables iAsia to grow and live up to its global potential. While key American alliances with Japan, South Korea, and Australia remain strong and America's overall relations with Asian nations are good, American interests in Asia cannot be guaranteed without a more comprehensive strategy and focus on the region. The challenge for U.S. policymakers is not managing an imagined loss of American primacy, for U.S. power will remain dominant in Asia for many years even as other nations grow stronger rapidly. The challenge for America is not simply managing alliances in Asia, for success with alliance partners needs to be a baseline, not a stretch goal. The challenge will be twofold: first, to achieve a fundamental shift in thinking that can advance American interests in a rapidly changing Asian world; second, and perhaps more important, is to understand that the balance of influence is shifting. From an era of dominant and sustained American primacy, influence is spreading to many actors, in particular China.⁷ Understanding this shift—anticipating it, comprehending the implications of it, and helping to facilitate it—will be among the most pressing challenges for this coming generation of American strategists.

⁷ Richard Haass, "The Age of Nonpolarity," *Foreign Affairs* (May/June 2008).

THE AMERICAN HAND IN iASIA

According to Aaron Friedberg, from the opening of Japan in the 1850s, to the sinking of the Spanish fleet in Manila near the dawn of the 20th century, to World War II and the Korean War, America's involvement in Asia has been a reaction to a series of events, each of which are "followed by a major, largely unplanned, expansion in the tangible manifestations of U.S. power in Asia, and somewhat more gradually and subtly, by an eventual broadening in the conception of American interests and responsibilities in the region."⁸ This pattern of growing American influence in the region has led to a security order maintained by the forward deployment of U.S. troops and the active presence of the 7th Fleet. U.S. influence and regional stability are facilitated by strong bilateral alliances with Japan, South Korea, and Australia as well as Thailand and Philippines. In recent years, the U.S. has also been building its ties with Singapore, India, Indonesia, Malaysia, and even Vietnam.

The dividends of America's post-World War II strategy have become the proverbial source code for developing the iAsia platform throughout the region. The United States long promoted regionalism in Asia, and now integration is advancing rapidly and dramatically. American innovation spurred innovation in Asia, with the apprentice outpacing the master on virtually everything from televisions to automobiles. The United States has encouraged development in Asia, and free-market reforms have driven unparalleled investment throughout the region. Though Asia remains a tinderbox of traditional and non-traditional security challenges (discussed in-depth in Section II), these programming anomalies and viruses in the

iAsia software can only be managed with the help of the United States (at least for now and the near future). Reinforcing the positive trends of integration, innovation, and investment and supporting the formation of a more collective, pan-Asian identity can be facilitated to advance American interests and will only be possible with American involvement to help manage historical tensions and conflicting regional ambitions.⁹

American support of free markets and the provision of security guarantees over 60 years have helped Asia prosper. From India to East Asia, nations have experienced tremendous economic growth and political stability. Poverty in East Asia dropped from almost 25 percent in 1993 to under 10 percent in 2004.¹⁰ Military spending is up in virtually every Asian nation other than Japan, and new multilateral regional forums are sprouting up to deal with issues beyond trade and the economy. This growth is propelling an Asian discussion of regionalism amongst the continent's widely varied national identities. It is almost impossible to have a conversation about Asia without also engaging in debate about "great power" status and the prospects for the "Asian century."

Despite this optimism, Asian unity is a long way off. Unlike in Europe, there is no shared philosophy about government and economics to align Asian powers. Despite growing prosperity, Asia suffers from the greatest inequality in the world, both across the region and within nations like China and India. For example, 2007 per capita real GDP in Asia ranges from a low of \$1,100 in Nepal to \$48,900 in Singapore.¹¹ The incomes of the rich within Asia's developing economies are also increasing much more rapidly than the incomes

⁸ Aaron Friedberg, "United States," in Ellings and Friedberg, eds., *Strategic Asia 2002–03: Asian Aftershocks* (Seattle: National Bureau of Asian Research, 2003): 17.

⁹ For a complete account of managing nationalism in Asia please see Chung-in Moon, Seung-won Suh, "Burdens of the past: Overcoming History, the Politics of Identity and Nationalism in Asia," *Global Asia* (Spring 2007): 32. Also, see: Francis Fukuyama, "Re-envisioning Asia," *Foreign Affairs* (2005).

¹⁰ World Bank poverty statistics available at <http://go.worldbank.org/4RXEC72G00>.

¹¹ CIA World Fact Book figures available online at <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2004rank.html>.

of the poor.¹² Amidst this disparity, intraregional trade has reached new highs, creating a virtual East Asian Free Trade Zone second only to Europe in volume. If the ASEAN-China free trade agreement (ACFTA) proceeds as planned, by 2015, it will be the world's largest market and free trade zone.¹³ Furthermore, several of the world's best and increasingly capable navies share the waters of the Pacific and increasingly run the risk of provocations, intended and accidental, and two of the most unstable nations in the region, North Korea and Pakistan, have nuclear weapons. Shared interests like security of the sea lanes and divergent interests like rights to undersea resources beneath those same lanes can put countries on the opposite side on one issue and the same side of another. A multilayered network of bilateral and multilateral forums and regimes is growing in Asia. By focusing on specific issues, such groupings make more progress possible between interested parties. For example, threats from sea piracy have diminished in Southeast Asia as multilateral naval and non-governmental maritime cooperation have become more effective against piracy.¹⁴ But such groups can also limit progress to least-common-denominator issues that do not threaten strategic interests or impinge on sovereignty.

Integration in Asia centers on a diverse range of organizations and forums— institutions that America currently shapes very little. The perceived shortcomings of the Asian-Pacific Economic Cooperation (APEC)— in part caused by America's

modest agenda and limited engagement in the aftermath of the Asian financial crisis in the late 1990s— in many ways catalyzed the formation of ASEAN+3.¹⁵ The ASEAN+3 vehicle has been celebrated as a means to build confidence amongst the “plus three” (China, Japan, and South Korea) while simultaneously giving an Asian touch to Asian problems. ASEAN+3 adopted a 10-year work plan in 2007 to increase cooperation throughout the region. The members describe ASEAN+3 as “an integral part of the evolving regional architecture, mutually reinforcing and complementary to the East Asia Summit (EAS), ASEAN Regional Forum, Asia-Pacific Economic Cooperation, and other regional forums.”¹⁶ These agreements both bind nations and help to foster greater economic regionalism and integration.¹⁷

The formation of the East Asia Summit [EAS] generated unease in Washington. According to Joseph Nye, “[EAS] was a meeting which some fear marks the first step in China's long-term ambition to build a new regional power structure, known as the East Asian Community, that excludes Washington.”¹⁸ The truth of the matter is that America was skeptical of the EAS from the start. Administration officials deny ever receiving an invitation and went out of their way to dismiss the significance of the meeting.¹⁹ Rather than offering alternatives or shaping new frameworks, “the operating principle in the U.S. government is that any institution without the United States in Asia will lack credibility, and will ultimately fizzle.”²⁰

¹² Asian Development Bank, “Inequality in Asia: Key indicators,” (Manila, 2007): 6, available online at http://www.adb.org/Documents/Books/Key_Indicators/2007/pdf/Inequality-in-Asia-Highlights.pdf.

¹³ Jing-dong Yuan, “China-ASEAN relations: Perspectives, Prospects, and Implications for U.S. Interests,” (Carlisle: Strategic Studies Institute, U.S. Army, October 2006).

¹⁴ “Briefing on the future of U.S.-Japan Maritime Security Cooperation,” U.S.-Japan Sea Power Dialogue Co-Sponsored by the Center for a New American Security and the Ocean Policy Research Foundation of Japan (6–7 March 2008).

¹⁵ Mark Berger and Mark Beeson, “APEC, ASEAN+3, and American Power: The History and Limits of the New Regionalism in the Asia-Pacific,” http://eprint.uq.edu.au/archive/00000732/01/mb_mb.pdf (February 2004).

¹⁶ “Chairman's Statement of the 11th ASEAN Plus Three Summit,” Singapore (20 November 2007), available online at <http://www.aseansec.org/21096.htm>.

¹⁷ Hitoshi Tanaka, “Defining Normalcy: The Future Course of Japan's Foreign Policy,” *East Asia Insights* (January 2008): 4.

¹⁸ Joseph Nye, “The Rise of China's Soft Power,” *The Wall Street Journal Asia* (29 December 2005).

¹⁹ Alan Romberg, “Much ado about nothing — so far,” *Stimson Center Brief* (11 January 2006).

²⁰ Sherman Katz and Devin Stewart, “Hedging China with FTAs,” *Asia Times* (1 October 2005).

“The United States has chosen not to participate in forums like EAS based largely on the judgment of U.S. experts who prefer less redundancy and overlap in Asian institutions. But the fact is that the United States still devotes far more human and material resources to European capitals than to Asian capitals, and underestimates how a U.S. presence in Asia could shape new organizations to support American values and interests.”

The result, however, is that the United States relies on allies to carry its water and therefore cedes influence to China. The original premise of an East Asian Community — for which the EAS could provide architecture — was articulated in 1991 by then-Prime Minister of Malaysia Mahathir Mohammad; it came to fruition in 2004

when Malaysian Prime Minister Badawi revived the idea. Sandy Berger, former National Security Adviser to President Bill Clinton, argues that the formation of regional groupings meant to exclude the United States is part of China’s strategy to gain influence in the region. While many experts agree that ASEAN+3, the Shanghai Cooperation Organization (SCO), and EAS are relatively weak, non-unified “talk shops,” the exclusion of the United States carries real costs.²¹ The desire for more robust regional institutions to serve the needs of the Asian people is not new and it is not clear that Asian nations expect — or at least used to expect — American exclusion. However, in opting out of forums like the EAS, America perpetuates its own marginalization and gets partners comfortable working without Washington. If not properly balanced, this could portend serious challenges for future American influence in the region.²²

The United States has chosen not to participate in forums like EAS based largely on the judgment of U.S. experts who prefer less redundancy and overlap in Asian institutions.²³ But the fact is that the United States still devotes far more human and material resources to European capitals than to Asian capitals, and underestimates how a U.S. presence in Asia could shape new organizations to support American values and interests. The tyranny of distance is very much present when senior U.S. government officials are contemplating overseas travel schedules to far away Asian capitals. The key question is whether America’s current exclusion or non-participation in regional forums will allow China to recreate the regional order in its favor. According to one Asian expert, perceiving a decline in U.S. power gave China “an opportunity to steer East Asian multilateralism along the lines of the Shanghai Cooperation Organization to serve Beijing’s strategic goals and further weaken

²¹ Samuel Berger, “The U.S. stake in greater Asian integration,” *Global Asia* (September 2006): 25–27.

²² For further discussion of these issues please see: Hitoshi Tanaka, *Japan and Asia in Transition 2006–2007* (Tokyo: Japan Center for International Exchange, 2007).

²³ These discussions have taken place over the course of the past few years with numerous former high-ranking Bush administration officials.

U.S. influence in East Asia.”²⁴ Consisting of China, Russia, Kyrgyzstan, Kazakhstan, Tajikistan, and Uzbekistan, the SCO balances American presence in resource-rich central Asian nations by promoting Chinese and Russian influence in the sub-region. Despite latent tensions between Beijing and Moscow, the SCO has evolved into a formal interregional organization dealing with specific issues, such as counterterrorism, and overall regional security.²⁵ The SCO, somewhat ironically, is committed to a “new, democratic, just and rational political and economic international order.”²⁶ The United States will need to explore ways to urge such structures to live up to their high ideals.

Moreover, nongovernmental forums like the Boao Forum are also notable for the absence of senior U.S. officials in contrast to the participation of other governments. The forum, spearheaded by China and launched in 2001, hosted 11 sitting heads of state in 2008, including Hu Jintao and Kevin Rudd, but no sitting senior U.S. official. High-level U.S. representation was left to former Secretary of State Colin Powell.

Even with a shift in global power, coupled with the strengthening of groups like ASEAN and a real or perceived decrease in U.S. influence in the region, the development of any pan-Asian forum along the lines of the European Union is unlikely. The complex layers of animosity and suspicions among Asian nations after thousands of years of conquest, empire, and war keeps nationalism ever at hand and jingoist paranoia latent but quickly exploitable. Dismissing the rise of any monolithic Asia, Fareed Zakaria recently noted, “There’s no such thing as ‘Asia.’ There is China, there is India, and there is Japan, and they all kinda hate

each other.”²⁷ However, the proliferation of Asian institutions — though imperfect and works in progress — is an important Asian attempt to bridge such historical and nationalist divides that hinder effective integration. Asian intellectuals and policymakers rely on webs of complex strategic engagement to compel integration and constant interaction to help overcome historical impasses and enable the potential formation of more complex and sturdy regional architecture. One only has to look at rosters at golf clubs from Thailand to Japan to witness how business meetings cross cultures and attempt to build confidence and trust. Leaps in virtual communication and interaction in Asia have effectively removed the divide between user and technology. In many cases young Asian students have the ability to easily navigate chat rooms and virtual communities from Tokyo to Hanoi through the touch of a screen. Many cross-cultural expressions are also seen in food courts around Asia where one can get Sushi rolls with Sriracha chili sauce, hamburgers with Kimchi, and an amalgamation of spices and elixirs from all around the continent.

At least two conclusions can be drawn from America’s non-participation in regional organizations. First, one could argue that it reflects a change in America’s long-held unipolar status.²⁸ This view suggests that the rise of China and India, and a potentially resurgent Russia, will inevitably lead to a multipolar Asia with power vested not solely in the hands of Beijing, New Delhi, Moscow, Tokyo, and Washington, but also with middle and smaller powers who seek to further regional integration and stability. The second conclusion, perhaps more difficult to prove, could be the growth of an East Asian identity internalized by many policymakers

²⁴ Mohan Malik, “The East Asia Summit: More Discord than Accord,” *YaleGlobal Online* (20 December 2005).

²⁵ See Shanghai Cooperation Organization, <http://www.sectsc.org/html/00026.html>.

²⁶ See Shanghai Cooperation Organization, <http://www.sectsc.org/html/00026.html>.

²⁷ The Charlie Rose Show, “Conversation with Fareed Zakaria,” (1 May 2008), available online at <http://www.charlierose.com/shows/2008/05/01/1/a-conversation-with-fareed-zakaria>.

²⁸ See Dana Dillon and John Ktacik Jr., “China and ASEAN: Endangered American Primacy in Southeast Asia,” *Heritage Foundation Background* (19 October 2005).

and scholars in the region and coinciding with an American apathy towards Asia.²⁹

Regardless, it is clear that Asian problems will increasingly involve more Asian solutions, sometimes bypassing American assistance. For example, in 2003 a rift between Thailand and Cambodia—a conflict that originally was resolved through American intervention—was ultimately mediated and resolved by the Chinese ambassador in Phnom Penh.³⁰ In dealings with North Korea, Beijing is the indispensable host of the Six-Party Talks. Nations around China are either silent on the repression of Tibet or cooperative in cracking down on dissent within their own borders, a clear sign of growing Chinese influence, or at least a desire not to alienate or offend China.³¹ Josh Kurlantzick refers to this as a “growing pan-Asian consciousness”³² that has been galvanized by the interactive nature of hyper-connected societies, and the maturity of a well-defined group of strategic thinkers.³³ This perspective places greater emphasis on independent decision-making among Asians and without American involvement—a view articulated by Kim Dae-jung, former President of South Korea:

As the world shifts from an age where Asia meets the rest of the world from its own perspective, we are witnessing a future in which Asia will further integrate and become truly globalized. The world is shifting from an age that was long centered on the West to a new age centering on Asia.³⁴

Asians seek to ensure that this projected global shift from the West to the East actually takes place. To this end, they are pushing the boundaries of

Innovating to Seize the Superlative

Asia may soon be home to the biggest of everything. Led by China’s pre-Olympic infrastructure binge, the region is investing in roads, rails, and buildings on an unprecedented scale. The world’s largest port, highest railroad, and largest shopping mall are all in China. The largest building in the world, twice the size of the Pentagon, is Terminal 3 at the Shanghai airport, which opened without a hitch in April 2008 just after the UK’s embarrassing and chaotic launch of Heathrow’s Terminal 5. China will build some 97 airports between now and 2020. The tallest building in the world is in Taipei, Taiwan. Asian nations lead the world in broadband and wireless Internet access (the United States ranked only 15th in per capita broadband Internet penetration in 2007). The downside of Asia’s grasping for greatness is the risk that governments will pay inadequate attention to issues critical to long-term stability like corruption, poverty, and the extreme vulnerability of Asian populations to natural disaster.

traditional statecraft. Having survived the Asian financial crisis, Asian nations grew wary of international support and more focused on indigenous efforts to secure their own prosperity. Now, with the region swimming in over \$3 trillion in foreign currency reserves, “Asian countries are now some of the largest creditors in the world, rather than the debtors they were back in 1997.”³⁵ *Investment* underpins Asia’s strategic vision. Countries in Asia are investing in everything from infrastructure to military capabilities to human capital. In terms of higher education, China has made 30 percent

²⁹For example, see: Kishore Mahbubani, *The New Asian Hemisphere* (New York: Public Affairs, 2008).

³⁰Joshua Kurlantzick, “Pax Asia-Pacific? East Asian Integration and Its Implications for the United States” *The Washington Quarterly* (Summer 2007): 67.

³¹Quote appears in Simon Robinson and Madhur Singh, “India Detains Tibet Protestors,” *Time* (14 March 2008). Also, see speech by Robert Kaplan, “Fourth Annual FPRI Partners Brunch,” (6 April 2008).

³²Joshua Kurlantzick, “Pax Asia-Pacific? East Asian Integration and Its Implications for the United States” *The Washington Quarterly* (Summer 2007): 68.

³³Some notable, but not exhaustive, scholars include: Kishore Mahbubani, Raja Mohan, Nobukatsu Kanehara, Wang Jisi, and Chung-in Moon, to name a few.

³⁴Kim Dae-jung, “Regionalism in the Age of Asia,” *Global Asia* (September 2006): 10.

³⁵Paul McCulley and Ramin Toloui, “Asia Rising,” *Time* (13 September 2007).



India, like other Asian nations, is investing heavily in military modernization, including nuclear capable intercontinental ballistic missiles like this Agni II. The Agni III tested in April 2008 can reach Beijing and Shanghai. (AP Photo/Ajit Kumar)

enrollment its target and is making remarkable strides, having brought the enrollment of its college-age population up to 20 percent, from 1.4 percent in 1978.³⁶ Discussions of a growing deficit in U.S. engineering graduates have also raised extreme anxiety. The numbers vary wildly, with some pointing to over 13 times more graduates in China and India than in the United States, but the observers all agree that “regardless of the exact numbers, India and China are increasing their engineering graduates at a more accelerated pace than the United States.”³⁷ It is also worth noting that “While the foreign-born account for just over 10 percent of the U.S. working population, they represent 25 percent of the U.S. science and engineering workforce and nearly 50 percent of those with science and engineering doctorates.”³⁸ Flush with cash and increasingly dominant on the world stage of science and technology, the most successful Asian nations are starting to flaunt their status.

“Coexisting with the optimism of iAsia are the ingredients for internal strife, non-traditional threats like terrorism, and traditional interstate conflict, which are all magnified by the risk of miscalculation or poor decision-making.”

Power will continue to shift in iAsia, but a shift in the balance of *influence* could challenge the stability of the liberal and democratic system that took root under U.S. protection and engagement in the aftermath of World War II. According to Richard Haass:

Even if great-power rivals have not emerged, unipolarity has ended. To paraphrase Walt Kelly’s Pogo, the post-World War II comic hero, we have met the explanation and it is us. By both what it has done and what it has failed to do, the United States has accelerated the emergence of alternative power centers in the world and has weakened its own position relative to them.³⁹

It is time for the United States to think in terms of re-balancing and recapturing its influence in

³⁶Howard W. French, “China Spending Billions to Better Universities,” *The International Herald Tribune*, (27 October 2005). According to this year’s People’s Congress, university participation in China is now at 23%. See http://news.xinhuanet.com/english/2008-03/20/content_7827893.htm.

³⁷Gary Gereffi, et al., “Getting the Numbers Right: International Engineering Education in the United States, China, and India,” *Journal of Engineering Education*, Vol. 97, No. 1, (January 2008): 23, available online at <http://ssrn.com/abstract=1081923>.

³⁸Sarah Jane Gilbert, “The Changing Face of American Innovation” online Q&A with William R. Kerr (5 November 2007), available at <http://hbswk.hbs.edu/item/5799.html>.

³⁹Richard Haass, “The Age of Nonpolarity,” *Foreign Affairs* (May/June 2008).

“The architecture of Asia-Pacific is at its core transaction-based. If America hedges on integration, for example by running towards protectionist policies, or relies only on existing alliance partnerships, it will be unable to play effectively on the rapidly evolving and innovating iAsia platform, where free trade, more “mini-lateral” meetings, shared cultural icons, and new areas of interaction are rising everywhere.”

the Asia-Pacific with all of these emerging power centers, not just nations, but also business and civil society that will have more influence in what Haass calls the emerging “nonpolar” world.

Over the past two decades, George Schultz’s gardener has been the abiding metaphor for managing America’s equities and interests in the Asia-Pacific.

In 1987, the *New York Times* described Secretary Schultz’s approach to Asia as follows: “No matter what the events in Washington, it is characteristic of Mr. Shultz’s style that he makes a sustained visit to the region each year; tending to the diplomatic garden.”⁴⁰

America has tended its Asian garden, sowing the seeds of democracy and free market ideology, and then nurturing their growth. As the garden matured, generations of U.S. policymakers attempted to keep Asian policies and politics on a path of liberalization and democratization, mostly within the context of containing communism. When possible, America stepped in, such as by opposing military rule in South Korea, supporting a democratic transition in the Philippines, and assisting with the transition to independence in East Timor. This approach required steady attention and generally worked in favor of American interests.

If policymakers and the American public pay adequate attention to the astonishing changes in Asia since the end of the Cold War, the need to shift American thinking on Asia will become increasingly manifest. Leaders need to examine what America and other powers are and are not doing in the region in order to better advance their objectives, map the new landscape of relationships, and look at the challenges ahead. iAsia is visibly not the Asia of yesteryear. iAsia features new interfaces of increasingly independent actors who constantly interact in bilateral and multilateral, private and public, old and new ways. The architecture of Asia-Pacific is at its core transaction-based. If America hedges on integration, for example by running towards protectionist policies, or relies only on existing alliance partnerships, it will be unable to play effectively on the rapidly evolving and innovating iAsia platform, where free trade, more “mini-lateral” meetings between

⁴⁰ Neal A. Lewis, “A Reporter’s Notebook: Schultz in his Garden,” *New York Times* (26 June 1987).

small groups of actors, and shared cultural icons are rising everywhere. Asian nations have unified modestly thus far, focusing on the achievable and uncontroversial. Economic growth, prosperity, and stability are guiding Asia's will to come together to prevent regional disturbances that could challenge sovereign nations and their economies.

Success in iAsia requires an uncomfortable balancing between policies, approaches, and areas of focus. It requires a balance of metaphors, mixing the gardener's traditional patience and steadfastness with the more nimble agility of a successful soccer player and the virtuosity of an online avatar. America must strive to be the center midfielder, the playmaker on both offense and defense with strategic vision and tactical prowess. America will find iAsia akin to an online virtual world, inscrutable to outsiders and shaped by insiders, in which hundreds of thousands of independent actors participate through online persona. Witness the craze behind the computer game *World of Warcraft*, in which over six million subscribers compete and collaborate online, often through guilds that bring together a range of capabilities and knowledge. America must realize it is a player — a strong one, but not the only one — in such a real-world Asia-Pacific context. America's partners will often have their own agendas and their own ways of pursuing their ends. Tremendous changes are altering power dynamics in the region and America must adapt and evolve its presence and strategy to take account of these transformations. In iAsia, a gardener would not know where to begin, and paternalistic conceptions of "tending" will fall far short of creative efforts to build on the comparative advantages of other players, all pursuing their own core interests. Strategy devised in Washington will need this kind of flexibility to shape iAsia and deal with the opportunities and challenges that lie just ahead.



"Today, America is blithely unaware that in the near future there may no longer be any point in thinking about the purpose of its power because there will no longer be any power to which there might be a purpose."

— Clyde Prestowitz, *Global Asia*, 2007 ⁴¹



PART II: CHALLENGES AND OPPORTUNITIES IN iASIA

Unlike in Europe, where the end of the Cold War forced an immediate re-imagining of political and military realities, Asia seemed largely unchanged by the fall of the Soviet Union. Thanks to the intransigence of North Korea, few Americans doubted the rationale for maintaining alliances and forward military deployments in Japan and Korea. The health of these alliances, dealing with North Korea, and China's growth as a military power and a potential military adversary against Taiwan have been and continue to be the bedrock of American policy in Asia.

Manufacturing went global in unprecedented ways and the levels of growth and change were dramatic. What is clear is that after several false starts and detours, the long-hailed "Pacific Century" has finally arrived. As put by Kishore Mahbubani, the retired Singaporean diplomat and scholar, we are reaching "the end of Western domination and the arrival of the Asian century."⁴² Changes in demographics, from burgeoning populations in India to graying ones in China, Japan, and South Korea have begun to undermine economic growth and political stability. In this environment, U.S. strategy remains uncomfortably balanced toward bedrock issues such as North Korea and the Taiwan Strait rather than the new opportunities and challenges presented by an increasingly globalized iAsia. But the end of the Cold War actually unleashed important changes in Asia, many of which have yet to be fully grasped or accounted for in U.S. strategy. First, in the security sphere, despite ongoing U.S. commitments to our allies, the lack of an existential Soviet threat meant Asian countries had less certainty in (and perhaps less need for) America's commitment. Asia also grew more concerned by unbridled American activism and ambition in the region. Second, the end of superpower rivalry coincided with the explosion of globalization and revolutions in communications and transportation.

"America needs to be a central player in the design and operation of the iAsia platform in order to deal with programming glitches and potential vulnerabilities to threats like worms and viruses — issues like rampant nationalism, unresolved territorial disputes, unbridled military competition, and unforeseen transnational threats, from disease vectors to humanitarian disasters."

In thinking of Asia as the developing platform of iAsia, it is important to identify the current stage of development and America's role. iAsia is in what could be called the "beta-testing" phase, with most of the software in place, but lots of bugs yet to be worked out. America needs to be a central player in the design and operation of the iAsia platform in order to deal with programming glitches and potential vulnerabilities to threats like worms and viruses — issues like rampant nationalism,

⁴¹ Clyde Prestowitz, "The Purpose of American Power in Asia," *Global Asia* (Fall 2007): 5.

⁴² Kishore Mahbubani, "Ring in the Asian Century," *Los Angeles Times* (19 February 2008).

unresolved territorial disputes, unbridled military competition, and unforeseen transnational threats, from disease vectors to humanitarian disasters. If our collaborative effort with partners in Asia goes well, the United States will be one of the “system administrators” of a new iAsia that is interactive, integrated, and intent on improving. America needs to join the dynamic and self-motivated group of actors across Asia that is collaborating on the future design of the region, through new networks, new business deals, and new bilateral and multilateral diplomatic efforts. Compatibility is the ability of a program to operate in different systems, adapting its own techniques and procedures to seamlessly transition between diverse networks. This is embodied in the Asian cellular age, where mobile phones in Mumbai seamlessly integrate into Chengdu’s network. America must ensure that the standards and processes that can serve as the critical bridge between the post-Cold War and new iAsia operating system are designed to maintain American influence and relevance.

Many claim that America should accept a major alteration in its position as a unipolar power as China and the European Union consolidate their global positions and simultaneously jockey for greater influence around the world.⁴³ In truth, rumors of the death of American primacy are greatly exaggerated. Even as Europe consolidates and Asia takes shape, America continues to have stronger military forces, greater cultural influence, and more economic clout than any other nation. But the utility of America’s preponderance of power is declining. Issues like competition over scarce natural resources, the potentially cataclysmic effects of global climate change,⁴⁴ and threats

like transnational pandemic diseases⁴⁵ are little affected by American power in any traditional sense. To effectively meet such challenges amidst the complex power dynamics unfolding between Asian nations, American power must spark and support international concord and collaboration in innovative ways.

Unfortunately, there are significant obstacles to the United States mastering challenges and realizing opportunities in Asia. The next president will face a daunting array of challenges: reversing the decline in America’s global standing; protecting America and its interests and allies from terrorist attacks; developing a more effective long-term strategy against violent Islamist extremists; constraining nuclear proliferation; finding a responsible way out of Iraq while maintaining American influence in the wider region; persevering in Afghanistan; dealing prudently with global climate change; working towards greater energy security; rebuilding the nation’s armed forces; restoring the nation’s fiscal health; and restoring public trust in all manner of government functions. America will need its new Commander in Chief to take a broad view and be capable of managing the important issues around the world while simultaneously attempting to prosecute two major wars that absorb the lion’s share of America’s focus—leaving many worrying that the United States is becoming a peripheral player on key strategic issues in the Asia-Pacific.

It is reasonable for observers on both sides of the Pacific to wonder if the emerging iAsia will attract enough U.S. attention without a crisis materializing. Letting matters in Asia progress on a

⁴³Parag Khanna, “Waving Goodbye to Hegemony,” *The New York Times* (27 January 2008). Also, see: Fareed Zakaria, *The Post-American World* (New York: W.W. Norton & Company, 2008).

⁴⁴For a detailed account of the intersection between climate change and national security see Kurt Campbell, John Podesta, Leon Fuerth, et al., *The Age of Consequences: The Foreign Policy and National Security Implications of Global Climate Change* (Washington D.C.: Center for a New American Security, November 2007).

⁴⁵Richard Danzig, Rachel Kleinfeld, and Philipp Bleek, “After an Attack: Preparing for Bioterrorism,” (Washington, D.C.: Center for a New American Security, June 2007).

business-as-usual basis will increase the chances of such a crisis and keep U.S. policy reactive rather than deliberate. As Asia becomes the dominant source of both positive and negative global forces in the coming years, how America helps shape and engage iAsia may ultimately matter more than the war in Iraq and the current battle against al Qaeda. This requires that a new administration in Washington spare some of its most valuable commodity—the time and attention of its senior policymakers—toward addressing the rising challenges of iAsia.

DEFINING THE CHALLENGES IN iASIA

The nighttime satellite photograph of Asia at right seems to show a large island by the tip of Japan, sparkling with streetlights and surrounded by the blackest sea. But the apparent island is actually the Korean Peninsula, and what looks like an empty sea to the north is actually the lightless hermetic nation of North Korea. The image captures both the transformation of Asia into an engine of the world economy and the fragile nature of Asian prosperity and stability. One of the world's most wired nations sits across a narrow strip of land-mines and fortifications, artillery shell to artillery shell with the most backward Stalinist state on earth. From here, Asia remains provocative and dangerous, a place where the Cold War is not yet over. Anyone sitting in Seoul knows that spies and defectors move through the streets. The risk of sudden annihilation is as real here in 2008 as it was in Berlin decades ago. The strategic challenges and transformations that America will face in Asia—and that Asians will confront—are profound. As Henry Kissinger recently stated,

These transformations take place against the backdrop of...a shift in the center of gravity of international affairs from the Atlantic to the Pacific and Indian Oceans. Paradoxically, this redistribution of power is to a part of the world where nations still possess the characteristics of traditional European states. The major states of Asia—China, Japan, India and, in time, possibly Indonesia—view each other the way participants in the European balance of power did, as inherent competitors even when they occasionally participate in cooperative ventures.⁴⁶



Northeast Asia at night. What looks like a sea north of the Republic of Korea is really a lightless North Korea. (Istockphoto 2008)

Hoping to prevent hostile competition, these states will continue to enmesh one another in Asian institutions. And yet, these will be fundamentally different from western institutions like NATO. America is uniquely poised to be the critical player by exerting the power of balance between and among Asia-Pacific nations. Still insecure with one another, plagued by persistent instability, and faced with extreme inequality, Asian states need reassurance of American commitment and benign intent.

The fact is that iAsia, like any new platform, faces security risks, both from traditional and non-traditional sources and trends. At best, America

⁴⁶Henry Kissinger, "The Three Revolutions," *The Washington Post* (7 April 2008).

can be like a system administrator, but only if its involvement in the region stems from recognition of the ability of our allies and friends to act responsibly, and to promote their own and American values and interests. Ignorance of the actual power of Asian countries or arrogance from American leaders will not help debug iAsia and defend the common good. Above all, America must ensure that all rising Asian powers continue to buy into the global system of free trade, international peace and stability, and increasing liberalization that has served the United States so well for over half a century.

The challenges of insecurity, instability and inequality in Asia include resolving the North Korean nuclear dilemma, preserving peace and stability across the Taiwan Strait, managing the uncertain ascent of China, contending with the resurgence of Russia, helping to deter a major nuclear crisis on the sub-continent or a nuclear arms race in the region, helping rather than hurting the positive changes in the nature of Islamic politics in Southeast Asia, stopping the proliferation of weapons of mass destruction, managing potentially dangerous competition over natural resources, meeting the challenge of global climate change, and narrowing the gap between rich and poor individuals and nations. These challenges stand between Asia today and the potential of iAsia tomorrow. Despite the surge in regionalism and optimistic forecasts, such cooperation is not guaranteed. As Ambassador Robert Blackwill wrote recently:

The increase in China's power and influence is now a permanent and critical feature of the global picture, and it is still far from clear whether Beijing will become a responsible stakeholder in the international system. Relations between China and Japan are edgy at best. We

will have to see whether North Korea will give up its nuclear weapons. I remain skeptical. The long-term trends in Afghanistan are not good. Pakistan, with dozens of nuclear weapons, is vibrating with uncertainty.⁴⁷

While the United States must continue to devote significant attention to the challenges of Islamic extremism and the ongoing conflicts in Iraq and Afghanistan, the United States shortchanges Asia at its peril. Being "indispensable" in Asia, to use

“While the United States must continue to devote significant attention to the challenges of Islamic extremism and the ongoing conflicts in Iraq and Afghanistan, the United States shortchanges Asia at its peril.”

Madeleine Albright's word, will require the wit and wisdom to develop and orchestrate a sophisticated strategy able to cope with and shape the emergence of iAsia, the most dynamic region on earth.

⁴⁷Robert D. Blackwill, "The Three Rs: Rivalry, Russia, and 'Ran,'" *Asia Times* (11 January 2008), available online at http://www.atimes.com/atimes/Central_Asia/JA11Ag01.html.

NORTH KOREA

The most direct consequence in Asia of America's interventions in Afghanistan and Iraq has been its inability to denuclearize North Korea. Even the most committed Republican Asia strategists recognize that this is at least partly attributable to America's commitments in Iraq. For example, one leading Republican notes:

The example set by coalition action against Saddam in 2003 helped the United States motivate China to put pressure on Pyongyang, but that pressure was not sufficient to shift the North Korean strategic calculus on nuclear weapons. It might have been with time, but the mounting difficulties in Iraq undercut the credibility of U.S. coercion...Progress is still possible with North Korea, but it will require a reassembled tool kit that includes incentives and disincentives to shape the North's strategic calculus.⁴⁸

Though the Six-Party Talks have achieved progress in shutting down and disabling plutonium reactors, the hermetic regime continues to cast doubt on prospects for complete and verifiable denuclearization. Assistant Secretary of State for East Asian Affairs and Special Envoy for the North Korean nuclear talks, Christopher Hill, continues to pressure North Korea to release information on both its possible uranium enrichment program and potential outward proliferation activities. It is unlikely that the regime will "come clean," but without resolution of these issues it seems unlikely that the talks will achieve significant breakthroughs. Regardless of what happens, for impoverished and weak North Korea, the recent past has had its share of achievements. The nation has nuclear weapons, the allies seeking denuclearization continue to suffer from tensions over the

proper course of diplomacy, and the sanctions are likely to be eased in the coming year. Even poor and isolated parishes can achieve successes in this new iAsia.

Confirmation by the Central Intelligence Agency and the White House that North Korea assisted in the construction of a Syrian nuclear reactor highlights the imminent security risk posed by Pyongyang for both the United States and the Middle East. Israel's preventive attack on the facility reportedly occurred weeks before the reactor would have become operational, setting Syria on the long journey to produce fissile material, possibly for nuclear weapons. North Korea has either become more sophisticated in its brinksmanship "diplomacy" or so cash-strapped and desperate that it is willing to sell everything, including the kitchen sink. This raises an important question: is denuclearization possible, short of a collapse of the North Korean state or unification with South Korea?

North Korea's desolate poverty, lack of economic growth, and physically weak and malnourished population offer no hope in terms of revolution, though gossip leaks every now and then about possible competition to the "victorious General."⁴⁹ Yet while North Korea experts have long predicted the collapse of the regime, Kim Jong Il still remains in power.⁵⁰ As leader of the Korean Worker's Party and head of state he is able to effectively project power and counter potential threats to his rule by empowering his inner circle and ensuring their wellbeing and economic vitality—nepotism is critical for regime survival. One of the widely held criticisms of the "carrot-based" approach is that the regime will continue to extract concessions through the Six-Party framework without giving

⁴⁸ Michael Green, "The Iraq War and Asia: Assessing the Legacy," *The Washington Quarterly* (Spring 2008): 196-7.

⁴⁹ See, for example, Aidan Foster-Carter, "The Six Party Failure," *Nautilus Policy Forum Online* (17 February 2005).

⁵⁰ Andrei Lankov, "Staying Alive: Why North Korea Will Not Change," *Foreign Affairs* (March/April 2008).

up too much, and in return will secure just enough to keep the elite satisfied.⁵¹

If the North Korean state were to collapse, the prospects for instability would be enormous. The U.S. State Department estimates that there are 30,000 to 50,000 North Korean refugees living in China—while some nongovernmental organizations claim that over 300,000 refugees call China home.⁵² China fears that the collapse of Pyongyang would open the floodgates to millions of North Korean refugees, slowing down its economic development, particularly in the underdeveloped provinces that border North Korea. China shares a formal alliance with North Korea and is its biggest backer. China provides upwards of 70 percent of all food aid to North Korea and plays an important role in mitigating North Korean aggression.⁵³ Moreover, China has positioned 10 divisions along the North Korean border in case the state collapses.⁵⁴ Japan and South Korea, too, fear being overwhelmed by fleeing refugees either coming by boat or across the dangerous ribbon of heavily mined “no man’s territory” of the DMZ.

For many South Koreans unification remains the fundamental goal. They sympathize with the plight of their brothers and sisters in the North. But the likely costs of unification have kept Korean officials much more circumspect. Compared with East and West Germany, the gap between North and South Korea is much greater and the strain on the South Korean economy is expected by most ROK officials to be unbearable. North Koreans

are much poorer relative to South Koreans than were East Germans to West Germans; also North Koreans are a larger percentage of the overall Korean population. North Korea’s economy today is only about eight percent that of the city of Boston, while South Korea’s is about eight percent of the entire United States.⁵⁵ The current South Korean goal is to elevate North Korean per capita GDP to \$3,000 before unification, something unlikely for many years to come. The steps necessary for such North Korean growth would pose a moral hazard by strengthening the regime without helping the population.

Given these challenges of instability and economic dislocation, one participant at a high-level seminar on the future of the U.S.-ROK alliance in Washington in February noted that the United States is probably the only one of the six parties that actually sees unification as in its interests (and even this point is highly debatable—some in the United States might have reasons for wanting a divided Peninsula to persist).⁵⁶ With unification, Russia would lose influence; China would face instability and suddenly border a U.S. ally; Japan would worry about a united and possibly still nuclear Peninsula; and South Korea would risk sinking under the weight of its poor brother. Assuming unification could be achieved peacefully, of course, it would bring a welcome final conclusion to hostilities on the Korean peninsula and help stabilize the entire Asia-Pacific region by ending what is an inherently dangerous stand-off. One of the more tricky issues associated with

⁵¹ John Bolton, “Salvaging our North Korea Policy,” *The Wall Street Journal* (17 March 2008).

⁵² Rhoda Margeson, Emma Chanlett-Avery, and Andorra Bruno, “North Korean: Refugees in China and Human Rights Issues: International Response and U.S. Policy Options,” *Congressional Research Services* (26 September 2007).

⁵³ Esther Pan, “The China–North Korea Relationship,” *Council on Foreign Relations Background* (11 July 2006).

⁵⁴ Conversation with senior South Korean Ministry of National Defense official, Seoul, South Korea (20 February 2008). Also, see: Ben Blanchard, “China Mobilizes Troops on Border,” *The Courier Mail* (11 October 2006). Also, see: Joseph Kahn, “China Moves Troops to Area Bordering North Korea,” *The New York Times* (16 September 2003).

⁵⁵ Scott Rembrand, “‘Peace in our Time’ at What Cost? Possible Financial and Legal Implications of Denuclearizing North Korea,” in James M. Lister, ed., *Joint U.S. Korea Academic Studies, Towards Sustainable Security and Economic Options in East Asia: U.S. and ROK Policy Options*, (Washington, D.C.: Korea Economic Institute, 2008): 117. South Korea estimates based on U.S. GDP of \$13.9 trillion and South Korean of \$1.2 trillion, *CIA World Fact Book*, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2007rank.html>.

⁵⁶ Former senior official at the CNAS Seminar on the Future of the U.S.-ROK Alliance, Washington, D.C., (29 February 2008).

unification would be if South Korea inherited North Korea's nuclear arsenal. According to Mitchell Reiss and Jonathan Pollack, "A future Korean leader might view nuclear weapons development, or retention of the DPRK's nuclear legacy, as the surest means to achieve equivalence with surrounding major powers—and perhaps especially with the United States."⁵⁷ However, both authors conclude that this would require a major shift in Korea's regional threat perceptions and a major loss in confidence of America's nuclear umbrella and of the alliance.⁵⁸ A nuclear South Korea that would retain the North's nuclear arsenal would most assuredly catalyze instability in Northeast Asia. Japan would potentially reconsider its nuclear options as perceptions of a nuclear-armed and potentially aggressive Korea would quickly translate into real threats.

The Six-Party Talks will continue to be the primary vehicle for engaging North Korea but the U.S.-South Korea alliance is the most important piece of the puzzle. Though the Bush administration ultimately did a fine job in strengthening and broadening the U.S.-ROK alliance, the initial years witnessed a near fatality, with President Roh and Secretary of Defense Rumsfeld frequently at odds. John Ikenberry and Mitchell Reiss note that "The alliance provides a solid foundation for addressing the future, but provides little guidance as to how the alliance's mission, priorities, scope, and even its institutional identity should adjust to the recent changes and trends in Northeast Asia and the evolving security challenges of the 21st century." Steps to further redefine the South Korean alliance and adopt mutually supporting positions in regards to North Korea require a shared strategic vision between the United States and South Korea that can advance denuclearization and cope with the nuclear reality today and in the event that the Six-Party Talks fail.

⁵⁷Mitchell Reiss and Jonathon Pollack, "South Korea," in Campbell, Einhorn, and Reiss, eds., *The Nuclear Tipping Point*, (Washington, D.C.: Brookings Institution Press, 2004): 283-4.

⁵⁸Ibid.

NEW NUCLEAR POLITICS

Countries such as Japan, South Korea, and Taiwan have all been mainstays in the non-nuclear club even though some of them quietly flirted with nuclear weapons in the past. A combination of security guarantees, domestic politics, and international pressure has dissuaded them from pursuing the nuclear course — in the simplest terms: the potential costs outweighed the perceived benefits. But much has changed that could upset the delicate balance of incentives and disincentives that were so laboriously put in place during and after the Cold War. In particular, the potential waning of American unipolarity and concerns about the future strategic direction of the United States could alter the calculus across the region.

Japan, South Korea, and Taiwan have experienced enormous domestic changes, and for many, the surrounding regional situation or larger international environment have become less stable and, in some cases, more ominous. It would be an exaggeration to suggest that a collection of comments and opinion pieces indicates a nuclear program on the horizon, but it would also be imprudent to rule out a future with more nuclear powers without more careful study and examination. The outcome on the Peninsula will have an impact on the nuclear decisions made by countries throughout the Asia-Pacific and various scenarios should be thought through in advance by American policymakers.

The recent strain in relations between South Korea and the United States has been relieved by the election of Lee Myung-bak, but may not be banished forever. Disagreements over how to handle North Korea — in particular in the aftermath of its nuclear test and proliferation activities in Syria; accidents involving U.S. troops and Korean civilians; anti-American demonstrations; and differences over the costs and timing of moving U.S. forces away from the Demilitarized Zone will all continue to be irritants in the alliance. On the

one hand, there is appreciation for the role that the United States has played in defending South Korea and the need for U.S. forces to continue deterring the North. On the other hand, there is a desire for greater autonomy and independence, as well as an abiding suspicion (fifty years of evidence notwithstanding) of eventual abandonment by the United States. These views are compounded by perceptions in Seoul that Pyongyang's nuclear program is becoming more sophisticated and American preoccupation in Iraq and Afghanistan could leave Seoul fending for itself in a crisis. Korea could begin to feel so uncertain or resentful of the United States that it would seek to guarantee its security outside of the U.S. umbrella.

Talk of a nuclear option was virtually unthinkable in Japan a decade ago, but there has been, more recently, a rising chorus of commentators both in and out of government that publicly support open debate around Japan's potential nuclear future. Tensions between Tokyo and its neighboring countries could force a major recalculation on Japan's part about whether it should develop a nuclear capability. China's unambiguous nuclear status, combined with Japan's traditional non-nuclear posture, underscores a high level of anxiety in Tokyo that if coupled with fears of American abandonment could force substantive debate toward "normalization."

The increasingly militarized relationship between China and Taiwan across the Taiwan Strait has sparked similar concerns. Again, though recent elections have calmed relations, China's buildup of a conventional arsenal of fighter planes, medium-range ballistic missiles, naval assets, and expeditionary forces suggests a worrisome trend for Taipei. Many observers fear that at some point in the future, absent external assistance, Taiwan could become vulnerable to a conventional onslaught by the mainland. For this reason, Taiwan has considered a nuclear alternative in the past, but was dissuaded through quiet pressure from

Washington. An increasing conventional military imbalance coupled with any sense of alienation or lack of support from Washington could cause Taiwan's leaders to reevaluate their non-nuclear stance.

Beyond the risk of domestic proliferation by technologically advanced governments, the A.Q. Khan network demonstrated the inadequacies of the international nonproliferation system. The network had created a major global supply chain from Pakistan to Malaysia to Dubai. In particular, the dual-use nature of nuclear technologies has not only made it more difficult to detect the transfer of sensitive technology, but has also made Asia a prime theater for illegal exports of controlled technology. China remains a leading proliferation threat, accounting for a lion's share of ballistic missile technology proliferation, a trend that is alarming not only for the United States but for the international community as well.⁵⁹ Moreover, A.Q. Khan's black market was successfully able to manipulate Malaysian export laws by contracting production of critical technology for uranium centrifuges.⁶⁰ North Korean proliferation certainly continued until recently, as shown by the Syria connection, making the stakes for countering and mitigating nuclear proliferation even higher.

Compounding the spread of nuclear weapons is the acquisition of fissile material by terrorist groups. Insecurity in any number of nuclear power plants and labs gives terrorist groups new access points to acquire nuclear material for either crude radiological dispersal devices or even nuclear bombs depending on the level of sophistication and quality of the fissile material. Terrorist groups currently fixated on deteriorating nuclear infrastructure in Russia and the Commonwealth of Independent States could

easily turn their attention to an insecure nuclear facility in Southeast Asia — particularly with the rapid rise of nuclear power plants in the region. Additionally, porous maritime entry points make smuggling fissile material in cargo containers likely. Making sure these facilities are properly secured is a critical element of a more robust nuclear nonproliferation strategy. The risk associated with this material entering the United States or allied nations is tremendous. Domestic detection remains inadequate. America must also continue to fund and support the robust Container Security Initiative and programs such as the Proliferation Security Initiative, which are important nonproliferation and anti-proliferation tools.

Magnifying the threat of terrorists acquiring fissile material is the potentially dangerous spread of chemical and biological weapons. The Aum Shinrikyo sarin gas attacks in the Tokyo subway in 1995 and the unsolved 2001 anthrax attacks in the United States gave the world a small taste of the danger. Osama bin Laden has made it a religious duty of his followers to try to acquire nuclear, chemical, or biological weapons. North Korea, known to possess a very advanced chem-bio weapons program, could easily open its arms caches to the highest bidder while the world is focused on its small nuclear arsenal.

The challenge of existing nuclear states acquiring more robust nuclear capabilities is also a major concern. China's nuclear modernization program will be analyzed in more detail later; however, the strategic consequences of possessing an asymmetric deterrent could prove fundamentally destabilizing to the regional order. Mitigating security conditions that enable nuclear proliferation is critical to preventing major destabilizing

⁵⁹Henry Sokolski, "Space Technology Transfers and Missile Proliferation," for the Commission to Assess the Ballistic Missile Threat to the United States, Appendix III (1998), available at http://www.fas.org/irp/threat/missile/rumsfeld/pt2_solok.htm.

⁶⁰David Albright and Corey Hinderstein "Unraveling the A. Q. Khan and Future Proliferation Networks," *The Washington Quarterly* (Spring 2005): 114-116.

arms races that have been unfortunately common in the Asia-Pacific. George Shultz, William Perry, Henry Kissinger, and Sam Nunn came together to advocate for global denuclearization last year. Whether or not this is realistic, the next president will need to work with the world's responsible powers to stake out the moral high ground and build the diplomatic power to negotiate new bargains for the next era of proliferation. For both the traditional and non-traditional threats associated with weapons proliferation, Asia will be ground zero.

CROSS-STRAITS

Washington's official relationship with Beijing on the one hand and its unofficial relationship with Taipei on the other represent perhaps the most complex foreign policy balancing in the world today.⁶¹ At stake are a number of core U.S. foreign policy goals: the promotion of democracy; the preservation of U.S. credibility; loyalty to traditional allies and friends; the engagement and integration of an emerging power into the international system; and the maintenance of peace and stability in Asia as a whole. The interplay and clash among these various goals make the Taiwan Strait an unpredictable and therefore dangerous place. Moreover, Taiwan's recent democratization has undermined the "One-China" policy and made the prospect of conflict increasingly likely. Compounding the problem is the deep division among the U.S. foreign policy elite over how to maintain the increasingly fragile peace there. Perhaps nowhere else on the globe is the situation so seemingly intractable and the prospect of a major war involving the United States so real.

U.S. policy toward the Taiwan Strait has often been described as one of "strategic ambiguity." At first, the policy was primarily a political stance: Washington maintained an agnostic position on the ultimate status of Taiwan, requiring only that the matter be settled peacefully, by mutual agreement, and without coercion. Over time, however, the policy became increasingly defined in military terms. Washington did not make clear what actions it would take in the event of a cross-Strait conflict, adhering only to the well-worn verse in the Taiwan Relations Act that the United States would "consider any effort to determine the future of Taiwan by other than peaceful means... a threat to the peace and security of the Western Pacific area and of grave concern to the United States."

Washington refrained from being more explicit about its response, believing that uncertainty would deter both Beijing and Taipei from making any provocative moves.

This policy of ambiguity has become difficult to explain and perhaps even more difficult to implement in recent years. It has hindered routine consultations with U.S. allies because even senior U.S. officials are not sure what Washington would do in the case of a true crisis. It has also severely constrained communication and planning with Taiwan's political and military authorities — essential elements of effective crisis management. In 1995–96, for example, Pentagon planners and intelligence specialists did not know how Taiwan would respond to the provocative missile tests by the People's Republic of China (PRC) across the strait. The United States' blind spot in this tense situation was a wake-up call, leading to a substantial increase in military contact with Taiwan during the Clinton years that continued and expanded quietly under George W. Bush as well. These meetings, however, remained unofficial and behind the scenes.

In response to these difficulties, a growing debate has emerged about whether the United States should move toward a policy of more explicit deterrence to prevent both provocative Taiwanese political actions and coercive PRC military steps. Many observers fear that the U.S. policy of strategic ambiguity has been profoundly misinterpreted by both sides: Taiwan believes that in the end, the United States would support its independence, whereas the PRC believes that the United States would stand aside if the bullets ever started to fly. Misapprehensions of this sort can make ambiguity an ultimately dangerous strategy.

Over the last 50 years, the Taiwan Strait has been the site of an almost ritualistic pattern of military

⁶¹Many of the concepts in this section benefited from Kurt Campbell and Derek Mitchell, "Crisis in the Taiwan Straits," *Foreign Affairs* (July/August 2001).

conflict. The Taiwan-controlled islands of Quemoy and Matsu, for example, were the scene of a tense Cold War standoff during the 1950s; beginning later that decade and continuing for two more decades, the PRC regularly shelled these islands according to an announced schedule.

After a brief thaw in relations during the 1980s and early 1990s, the Taiwan Strait has been remilitarized over the past decade years. The origin of this military escalation is a matter of continuing dispute. Beijing argues the process began in 1992 with the U.S. sale of F-16 fighter aircraft to Taiwan and then sped up in 2001 with President Bush's decision to sell Kidd-class destroyers, anti-submarine P-3 "Orion" aircrafts, and diesel submarines.⁶² The Taiwanese countered that they bought the F-16s only in reaction to the PRC's acquisition of a squadron of SU-27 fighter aircraft from Russia. Whatever its origin, this "action-reaction" cycle has led both sides to intensify their military preparations.

The PRC has dusted off war plans previously left on the shelf, including introduction of the 2005 Anti-Secession Law, which authorizes the use of coercive force to counter Taiwanese claims to independence. Over the last several years, the training regimen, doctrine, writings, weapons procurement, and rhetoric of the People's Liberation Army have all turned to focus on a Taiwan attack scenario. In many ways, the provocative and pro-independence rhetoric of former Taiwanese President Chen Shui-bian exacerbated tensions between Beijing and Taipei and further isolated Taiwan. As Taiwan, like the rest of Asia, slipped to a position of secondary concern after 9/11, becoming almost irrelevant following the beginning of the Iraq War, China used the much-needed space to further isolate Taiwan in the international

sphere.⁶³ By supporting independence, against U.S. wishes, Chen Shui-bian made it easier for the United States to ignore Chinese assertiveness. The ousting of Chen in 2008 and the election of Ma Ying-jeou, a more pragmatic member of the Kuomintang Party, as President of Taiwan is likely to herald greater stability and commitment to the "status quo."⁶⁴ Regardless, the potential for cross-Straits issues to explode into a major hot war will remain. An entire generation of PLA officers has been trained to plan and execute a military invasion of the island. Top generals have been acquiring military support from Russia and Israel to create armaments designed specifically to combat Taiwan (and potential U.S. intervention on the island's behalf), including sophisticated aircraft, missiles, destroyers, and other advanced military technologies. The military systems that Beijing has fielded over the past five years look less like heavily armored bargaining chips and more like true military capabilities that could be used on the battlefield.

In response, Taiwan has started to modify its military institutions, capabilities, and strategies to combat a growing threat from the mainland. The Taiwanese military, for instance, has sought to instill greater professionalism in its ranks and adopt more modern modes of warfare. Taiwan has traditionally taken a purely defensive approach to a potential military conflict with the PRC. But today's strategists suggest that claiming an advantage at an early stage in a clash may be essential for the island's survival, leading Taiwanese military officials to think more in terms of quick strikes and rapid escalation. Taiwan has also purchased a wide array of advanced defensive weapons, largely from the United States, which is currently its only reliable provider of military assistance.

⁶² Kerry Dumbaugh, "Taiwan: Recent Developments and U.S. Policy Choices," *CRS Issue Brief* (24 January 2006).

⁶³ Wang Jisi, "America in Asia: How Much Does China Care?" *Global Asia* (Fall 2007).

⁶⁴ Keith Bradsher, "Taiwan President-Elect Urges Closer China Ties," *The New York Times* (24 March 2008).

Exacerbating the problem is the lack of military and political communication between Beijing and Taipei. The assumptions that motivate policies in both capitals are often drawn from misleading and contradictory information about the other side. The potential for miscalculation resulting from a lack of understanding and direct contact has grown substantially in recent years. As cross-Strait flights and military exercises increase, misunderstandings and miscalculations that could escalate into real military conflict will also increase. In today's militarized Taiwan Strait, miscalculation is as dangerous as premeditation.

Whereas Mao and Deng Xiaoping were willing to wait 50 to 100 years for Taiwan's integration, today's PRC regime expresses a growing sense of impatience. In light of Taiwan's maturing democratic culture and hardening of national and ethnic identity, the Chinese Communist Party (CCP) increasingly believes that time is not on its side and that Taiwan is moving farther from the mainland with each passing year. The Chinese view greater economic and social cooperation as key to paving the way to eventual integration. Cross-Strait tensions between integration and fragmentation require balance. In *iAsia*, unexpected levels of cross-platform integration exist, but do not necessarily lessen the likelihood of future conflict.

The current apparent rapprochement between Beijing and the new Ma administration in Taipei may not last long enough to mitigate underlying tensions. As the Olympics pass and the new Taiwanese administration settles in, fundamental tensions could easily be catalyzed by minor provocations from the increasingly nationalistic mainland or independence-minded Taiwanese.

THE RISE — AND POSSIBLE FALTERING — OF CHINA

The rise of China to great power status is nearly certain and a dominant feature of the new iAsia.⁶⁵ Beijing has pursued an export driven policy of rapid growth now known as the “Beijing Consensus,” which depends on the protection of national sovereignty with military, economic, and political tools; the use of high technology to leapfrog stages of development; and a focus on boosting citizens’ quality of life, not just GDP. Given China’s remarkable success—the poverty rate dropped from 64 percent in 1981 to around 10 percent in 2004 according to a World Bank report, lifting some 500 million to a better standard of living—the Beijing Consensus is drawing attention.⁶⁶ China’s value-neutral, “no strings attached” foreign assistance policy is attractive to many developing nations and is helping the PRC build strong bilateral relationships based on economic assistance programs.⁶⁷ Many developing nations view China’s historical struggle with poverty and industrialization as both inspirational and as a more palatable alternative to the cumbersome Western approach to development with its emphasis on democracy and market liberalization. Moreover, several negative perceptions of Beijing’s governance have been allayed in the aftermath of the devastating May 2008 earthquake in Sichuan province. The now-famous pictures of Premier Wen Jiabao hugging children whose parents were killed by the earthquake gave almost instant credibility to Beijing as a compassionate and caring government.

According to Joseph Nye, even though China has always had a popular cultural following, it is now entering the global arena. For example, China received its first Nobel Prize in Literature—awarded to the controversial poet laureate, Gao Xingjian—in 2000; foreign students studying in Chinese universities tripled from 36,000 to over 110,000 over

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the past decade;⁶⁸ and the popularity of China’s basketball super-star Yao Ming, whose rise to stardom in America has resulted in China acquiring a sobriquet as basketball’s “final frontier.” Beijing is systematically and sophisticatedly increasing global knowledge about Chinese culture, philosophy, and language. These examples have become a central part of China’s soft power playbook and will be boosted by its hosting of the 2008 Summer Olympic Games.

Nowhere is China’s presence more noticeable than in Southeast Asia, where the United States is often notably absent. Even though China’s trade with ASEAN countries is less still than the U.S.-ASEAN trade relationship,⁶⁹ prospects for China

⁶⁵ Many of the concepts in this section expand on previous work in Kurt Campbell and Michael O’Hanlon, *Hard Power: The New Politics of National Security* (Washington, D.C.: Basic Books, 2006).

⁶⁶ David Dollar, “Poverty, inequality and social disparities during China’s economic reform,” World Bank (June 2007), available online at <http://go.worldbank.org/ZQ50K6YOU0>.

⁶⁷ Thomas Lum, Wayne Morrison, and Bruce Vaughn, “China’s Soft Power in Southeast Asia,” *Congressional Research Service* (4 January 2008): 4.

⁶⁸ Paraphrased from Joseph Nye, see: Joseph Nye, “The Rise of China’s Soft Power,” *The Wall Street Journal Asia* (29 December 2005).

⁶⁹ Thomas Lum, Wayne Morrison, and Bruce Vaughn, “China’s Soft Power in Southeast Asia,” *Congressional Research Service* (4 January 2008).

overtaking the United States are becoming more likely with ACFTA.⁷⁰ China's relationships with many Southeast Asian nations were sour and directionless until the late 1990s. For example, according to Dennis Roy, in the 1990s, "China seemed to have no coherent, effective foreign policy in Asia."⁷¹ From Vietnam through the South China Sea, China sought to promote communist insurgents and lay unilateral claims to islands in the Pacific Ocean and aggressively settle boundary disputes. However, Beijing's provocative policies changed dramatically in 1997 when China took a hands-on role in helping its neighbors deal with the tumult of the Asian financial crisis. American China expert Robert Sutter noted major changes amongst the leadership in Beijing, who began to think in terms of *heping jueqi*⁷²—an acknowledgment that soft power-based diplomatic strategies yielded better results than military-focused tactics, and perhaps the signs of the development of a mature strategic culture. This movement was represented by China's decision not to devalue the Yuan—more of a symbolic move to the Southeast Asian leaders who still view China during the current monetary crisis through that gesture of Asian solidarity and America as indifferent for not proactively intervening in the crisis.

In 2000, two-way ASEAN-U.S. trade totaled over \$121 billion; the United States accounted for over 16 percent of ASEAN's total trade, the largest single-partner component. That same year, \$32 billion in trade with China only accounted for 4.3 percent of the region's total. By 2005, the most recent year for which ASEAN has published statistics, trade

with the United States rose to nearly \$154 billion, a proportion equal to that of the other top partner, Japan, at 12.6 percent. Meanwhile, in those same five years, China more than tripled its trade with the region, to \$113 billion, a number that now represents 9.3 percent of ASEAN's total. (The European Union ran a close third, ahead of China, in 2005: \$140.5 billion and 11.5 percent). To illustrate that this is indeed a long-term trend, it should be noted that while China's trade with ASEAN increased more than 13-fold between 1993 and 2005, America's doubled: \$8.9 billion to \$113 billion and \$75.7 billion to \$153 billion, respectively. At that rate of change, and absent unforeseen limits on China's capacity, parity between the United States, Japan, the European Union, and China is imminent, and China's assumption of the crown all but preordained.⁷³

There are many success stories of China's effective public diplomacy through Southeast Asia. Perhaps most illustrative is Beijing's decision to foot the bill for the reconstruction of Dili, East Timor's war-ravaged capital that was all but leveled by intense fighting between East Timorese and the Indonesian military.⁷⁴ East Timor is both a natural resource-rich state and an ideal staging ground for China's intensive public diplomacy campaign, one that showcases its benevolent foreign policy. China sees East Timor as a strategic investment in its expanding sphere of influence, and a potential source of rights to untapped natural resources. PetroChina got the contract rights to conduct seismic tests to determine the volume of oil and natural gas in the Timor Gap,⁷⁵ potentially valued at US\$30 billion.⁷⁶

⁷⁰ Thomas Lum, Wayne Morrison, and Bruce Vaughn, "China's Soft Power in Southeast Asia," *Congressional Research Service* (4 January 2008).

⁷¹ Joshua Kurlantzick, *Charm Offensive* (New Haven: Yale University Press, 2007): 38.

⁷² For original reference please see: Robert G. Sutter, *China's Rise in Asia: Promises and Perils* (Lanham, MD: Rowman & Littlefield, 2005). As referenced by Joshua Kurlantzick, *Charm Offensive* (New Haven: Yale University Press, 2007): 39. Also, see: Robert Sutter, "China's Rise in Asia—Promises, Prospects and Implications for the United States," *APCSS Occasional Paper Series* (February 2005): 4.

⁷³ Table V.10., "ASEAN Exports and Imports by Country of Destination, 1993–2005," *ASEAN Statistical Yearbook* (2006).

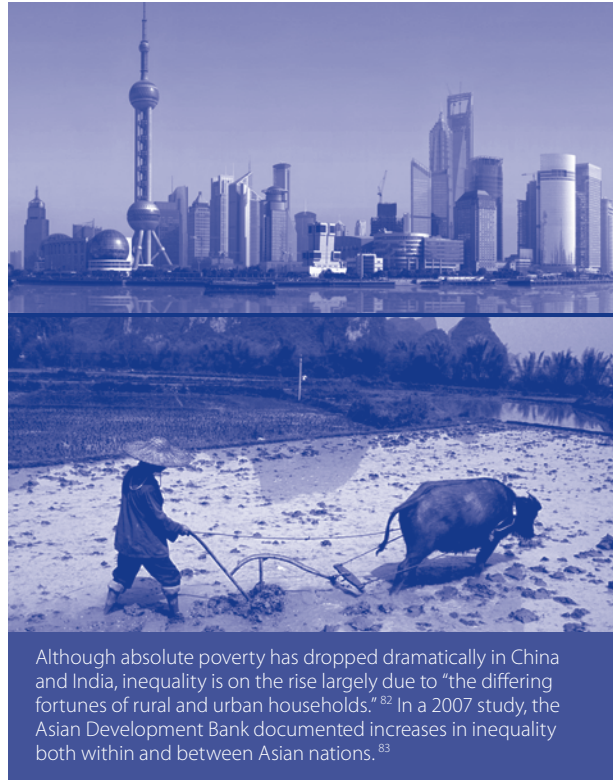
⁷⁴ Phil Zabriskie, "Going up in Smoke," *Time* (9 December 2002).

⁷⁵ Seth Mydans, "Aid from China Builds an Ally in East Timor," *The New York Times* (26 July 2007).

⁷⁶ Kurlantzick, *Charm Offensive*: 111.

Australian troops and U.S. and UN diplomats may have guaranteed Timorese freedom, but China provided the inhabitants of the new presidential palace and the Ministry of Foreign affairs building with resort-like offices. A *New York Times* article on Dili describes the presidential residence as "... a broad, palm-fringed compound by the side of the sea with reflecting pools, a rock garden and fluttering flags."⁷⁷ Although East Timor sent President Hortos to Australia for medical care after his recent assassination attempt, China may get most of the sweetheart deals with the new nation.⁷⁸

China has been strategically securing mountains of American debt and treasury bills (T-bills). Recent reports indicate that China now owns over US\$388 billion in T-bills, almost 20 percent of the total.⁷⁹ China's financial stakes in the U.S. economy are disconcerting to many, but a major Chinese sell-off of T-bills seems unlikely because of the negative consequences it would impose on China's economy and its image as a rational actor.⁸⁰ Furthermore, not only do Chinese exports provide affordable products to the American consumer, but China's possession of foreign exchange reserves—estimated at \$1.6 trillion in March 2008—helps spur domestic economic growth in the United States and fund the U.S. federal budget deficit.⁸¹ The wars in Iraq and Afghanistan are costing the American taxpayers hundreds of billions each year, and China's interests and investments indirectly fund those war expenditures. Such dependency on Beijing is a double-edged sword that requires strategic reflection and possible adjustments to economic strategy.



Although absolute poverty has dropped dramatically in China and India, inequality is on the rise largely due to "the differing fortunes of rural and urban households."⁸² In a 2007 study, the Asian Development Bank documented increases in inequality both within and between Asian nations.⁸³

But nothing is absolutely fated, and Americans should check their tendency to see trends as inevitable. Many conversations of China are guided by a narrative of "hegemonic prophecy." What states are rising, falling, who is on top, and what are the implications of that? Yet, what a really horrid track record at hegemonic prophecy we have seen in Asia. Just over two decades ago, Mikhail Gorbachev gave a speech in Vladivostok viewed by many in Asia as ushering in a new period of Soviet naval, political, and strategic dominance

⁷⁷ Seth Mydans, "Aid from China Builds an Ally in East Timor," *The New York Times* (26 July 2007).

⁷⁸ Ed Payne, "Rudd pledges support for East Timor," *CNN* (15 February 2008).

⁷⁹ Wayne Morrison and Marc Labonte, "China's Holding of U.S. Securities: Implications for the U.S. Economy," *Congressional Research Service* (9 January 2008).

⁸⁰ Wayne Morrison and Marc Labonte, "China's Holding of U.S. Securities: Implications for the U.S. Economy," *Congressional Research Service* (9 January 2008). Also, see Paul Krugman, "The Chinese Connection," *The New York Times* (20 May 2005).

⁸¹ *Ibid*

⁸² *The Economist*, "For whosoever hath, to him shall be given, and he shall have more," (9 Aug 2007), available online at http://www.economist.com/world/asia/displaystory.cfm?story_id=9616888.

⁸³ Asian Development Bank, "Inequality in Asia: Key indicators," (Manila, 2007):35 - , available online at http://www.adb.org/Documents/Books/Key_Indicators/2007/pdf/Inequality-in-Asia-Highlights.pdf.

in the region. The idea was that the Soviet Union was going to be a much more powerful player in contrast with the United States, and that we were entering a new era of Soviet dynamism and possibly domination. Looking back from today's vantage, such a worry was clearly misplaced, but it was a very dominant theme in Asian analysis and commentary just three years before the collapse of the Soviet Union.

This was followed by a period of tremendous consternation about the “inevitable” rise of Japan and its transformation from a political and economic power to a strategic player with potentially nefarious military capabilities and intent. Associated with this view was the notion — again — of inevitable American collapse and decline. It was hard to travel through Asia in the late 1980s and early 1990s without hearing misgivings and even sadness about the lamentable decline of American power. Now we have a period in which, if anything, analysts tend to exaggerate American power dramatically without much appreciation for its inevitable limits and restrictions.

In the last decade, the inevitability of China's rise has also come to the fore of American thinking. The sense that China will be a great power has already animated political and strategic culture throughout the region. So even though, by almost any measurement except population, China is not yet a great power, there is a belief that it will inevitably be one. In subtle ways, China's influence is perhaps even more dramatic than America's.

Nevertheless, China continues to face significant structural problems that could cripple its rise. Indeed, the “market Leninism” practiced by China is rife with contradictions that could place Beijing's progress at risk. These include growing societal fault lines; an emergent and impatient middle class eager for property rights; a rural population growing more discontent (some 87,000 peasant protests occurred in 2005); the strains on education and



China's march towards military modernization includes the development of blue water naval capabilities like this submarine engaged in a Sino-Russian military exercise. (AP Photo /Xinhua, Zha Chunming)

health care service; and an enormous transient population; and demographic issues, including a surplus of men that could become catastrophic in coming years. A faltering China would likely pose much greater risk to the United States and its regional allies than would a strong China, so long as communications are open and redlines are not crossed. While expecting the best, U.S. policymakers should prepare for many possible Chinese futures, strong or weak, responsible or aggressive. U.S. interests will be best served by a China that is strong, prosperous, and responsible.

Beijing needs to responsibly manage tensions and violence in Tibet and its approach to Taiwan if it wants to ease concerns around the region and the world. The international community continues to challenge Chinese officials to think of the long-term implications of its heavy-handed approach to dissent and free expression. Neighbors and the United States remain concerned about any risk to Taiwan's democracy. Problems also plague China's relations and attitudes toward many minority groups, including largely Muslim Uighurs and groups like the Yi who are routinely exploited by the new robber-barons of China's economic boom. According to recent reports, China is investigating “whether hundreds, perhaps thousands, of

poor children of the Yi ethnic minority group in Liangshan were lured or even kidnapped to work in factories that are increasingly desperate for the kind of cheap labor that powered China to prosperity over the past two decades.”⁸⁴ The persistence of mass inequality and exploitation constitutes a significant risk to Chinese stability and harms the country’s image in the world. While image matters most in the near term, particularly with the 2008 Olympics, the long-term challenges are more important to the PRC’s future. Peasant revolts are a historic truth and a profound fear for the current leadership in China and will remain a concern for any regime.

Recent news reports of China building an undersea submarine base seem right out of a James Bond movie. In many ways, China has been building and modernizing its military forces—presumably to respond to a contingency in the cross-Straits, though regional powers such as India and Japan believe otherwise. Anxiety in the region is growing as China continues to invest billions in advancing its force projection capabilities. According to the Department of Defense’s annual report on China’s military, “On March 4, 2007, Beijing announced a 17.8 percent increase in its military budget ... a 19.47 percent increase from 2006.” This figure continues an average annual increase of 15 percent during the past five years in China’s military spending, one of the few sectors that outpaces the country’s economic growth. Since the late 1990s, the Chinese government has accelerated efforts to modernize and upgrade the People’s Liberation Army (PLA). The lack of transparency regarding Chinese defense expenditures obscures matters, but most foreign analysts estimate that, since

“Recent news reports of China building an undersea submarine base seem right out of a James Bond movie.”

the official figure excludes spending on military research and development, nuclear weapons, and major foreign-weapons imports, the PRC spent between \$97 billion and \$139 billion on military-related spending in 2007 (up to three times the official Chinese budget figures of \$45 billion).⁸⁵ Despite China’s significant military modernization, they have yet to publicly articulate a “grand strategy” and remain relatively attracted to pursuing non-confrontational policies as laid out in Deng’s “24 Character Strategy.”⁸⁶

Whatever the true number, U.S.-led military operations in Iraq and the former Yugoslavia clearly have influenced the Chinese government to pursue improved capacities for power projection, precision strikes, and the other attributes associated with the latest so-called revolution in military affairs (RMA).⁸⁷ For example, the PLA has emphasized developing rapid reaction forces capable of deploying beyond China’s borders, and the PLA navy (PLA-N) has been acquiring longer-range offensive and defense missile systems and a more effective submarine forces (i.e., more operationally efficient and stealthy).⁸⁸ Chinese strategists have also sought to develop an “assassin’s mace” collection of niche weapons that the PLA can use to exploit

⁸⁴ David Barboza, “Child Labor Rings Reach China’s Distant Villages,” *The New York Times* (12 May 2008).

⁸⁵ Annual Report to Congress: Military Power of the People’s Republic of China (U.S. Department of Defense, 2008): 31-2.

⁸⁶ *Ibid.*: 8.

⁸⁷ Michael Pillsbury, “China Debates the Future Security Environment,” (Washington D.C.: National Defense University Press, 2000): 278-304.

⁸⁸ Lyle Goldstein and William Murray, “Undersea Dragons: China’s Maturing Submarine Force,” *International Security* (Spring 2004): 161-196.

asymmetrical vulnerabilities in adversary military defenses, such as America's growing dependence on complex information technology.⁸⁹

Besides allowing the PRC to improve its traditionally weak indigenous defense industry, rapid economic growth has made China a prolific arms importer. Russia has been an especially eager seller. Recently acquired Russian weapons systems include advanced military aircraft (e.g., Su-27s and Su-30s) and naval systems such as Sovremenny-class missile destroyers equipped with SS-N-22 Sunburn anti-ship missiles, and improved Kilo-class diesel class attack submarines that would enhance a Chinese military campaign against Taiwan. According to a recent IISS report, China's Navy "has evolved from a purely coastal-defense force into one with growing oceanic capabilities. This has enabled it to change the way it views itself, its future trajectory and its role in Chinese national security."⁹⁰ The PLA-N force includes 74 principal combatants, 57 attack submarines, 55 medium and heavy amphibious ships, and 49 coastal missile patrol craft.⁹¹ In addition, recent reports suggest that China is planning to develop a three-carrier battle group posture — a project that the PRC could start by decade's end.⁹² Moreover, PLA-N is advancing its "over the horizon" targeting capabilities with new radars, and developing a new ballistic missile submarine (Jin-class) which may soon enter service.⁹³

China is also devoting more resources to manufacturing and deploying advanced indigenous

weapons systems. The PLA has now fielded the indigenously produced DF-31 and DF-31A inter-continental ballistic missiles,⁹⁴ which are especially important because their mobility makes them hard to destroy. China's air force modernization programs continue. China's indigenous J-10 system is now being followed by a supposed fifth generation multi-role J-12. These platforms will complement the existing 490 combat aircraft "within unrefueled operational range of Taiwan," as well as the modernization of the FB-7A fighter-bomber.⁹⁵ China's space program has resulted in its acquiring new surveillance, communication, and navigation capabilities critical to coordinating military operations against Taiwan or other contingencies beyond Chinese territory.⁹⁶ China's successful attempt to destroy an aging weather satellite in January 2007 demonstrated a significant jump in China's anti-space assets, and was followed by the launch of a lunar module in fall 2007.⁹⁷

Despite their focus on winning the global campaign against terrorism, the Pentagon and the U.S. Congress have not failed to notice China's military scale-up. In its 2008 annual report on China's military power, the Pentagon was careful to avoid incendiary rhetoric, but cautioned: "The lack of transparency in China's military and security affairs poses risks to stability by increasing the potential for misunderstanding and miscalculation."⁹⁸ The 2006 Quadrennial Defense Review (QDR) likewise observes: "Of the major and emerging powers, China has the greatest potential

⁸⁹ Annual Report to Congress: Military Power of the People's Republic of China (U.S. Department of Defense, 2008): 3-4, 20.

⁹⁰ "China's navy: Drive for modernization," *IISS Strategic Commentary* 14:1 (January 2008): 2.

⁹¹ Annual Report to Congress: Military Power of the People's Republic of China (U.S. Department of Defense, 2008): 4.

⁹² Russell Hsiao, "China navy floats three-carrier plan," *Asia Times* (8 January 2008). Also, see: *Annual Report to Congress: Military Power of the People's Republic of China* (U.S. Department of Defense, 2008): 4.

⁹³ Annual Report to Congress: Military Power of the People's Republic of China (U.S. Department of Defense, 2008): 4.

⁹⁴ *Ibid.*: 3.

⁹⁵ *Ibid.*: 5.

⁹⁶ *Ibid.*: 2-3.

⁹⁷ *Ibid.*

⁹⁸ *Ibid.*

to compete militarily with the United States and field disruptive military technologies that could over time offset traditional U.S. military advantages absent counter strategies.”⁹⁹ Although the authors acknowledge the need to encourage Beijing to cooperate with the United States “in addressing common security challenges, including terrorism, proliferation, narcotics, and piracy,” they also contend that China continues to invest heavily in its military, particularly in its strategic arsenal and capabilities designed to improve its ability to project power beyond its borders. Moreover, secrecy envelops most aspects of Chinese security affairs. The outside world has little knowledge of Chinese motivations and decision-making or of key capabilities supporting its military mobilization. The United States encourages China to take actions to clarify its intentions and military plans.¹⁰⁰

Although China’s military buildup appears to be primarily motivated by a potential Taiwan contingency, many of its recent acquisitions could facilitate the projection of military power into more distant threats of great importance to the United States, including Japan, India, Southeast Asia, and Australia. Some of the missile, air, and increasingly mobile ground forces directed at Taiwan could be deployed to multiple points on China’s periphery. The soon-to-be-fielded conventional land-attack cruise missiles, which could be deployed on China’s new Type 093 nuclear-powered submarines, will give China a limited but useful global power-projection capability. In addition, Russia is now marketing Tu-22 Backfire and Tu-95 Bear bombers to the PLA, which could enable it to conduct air strikes against distant targets in Southeast Asia and elsewhere. Many PLA navy commanders still desire to acquire an

aircraft carrier fleet, a traditional symbol both of global power-projection capabilities and great-power status.¹⁰¹ The Chinese presence in Gwadar, Pakistan, located opposite the vital energy corridor of the Strait of Hormuz, also has a strategic dimension. For several years, China has been pursuing a “string of pearls” strategy to gain access to major ports from the Persian Gulf to Bangladesh, Cambodia, and the South China Sea.¹⁰² China’s neighbors are wary. For example, a career Japanese diplomat recently wrote, “If China’s military expansion remains nontransparent and continues at its current pace, states with interests in East Asia will, at some point, begin to perceive China as a security threat. Institutionalized trilateral security dialogue among Japan, the United States and China would be one way to minimize such threat perceptions.”¹⁰³ American involvement is key to such efforts to build trust and reduce tension.

None of these developments are surprising; great powers expect to have strong militaries, and the United States must certainly appreciate the logic of this position. But great powers often seek to disrupt the status quo with such newfound capabilities. Moreover, even those who criticize the United States and its global policies should recognize that modern-day America does not use its military to behave like the hegemons of old—grabbing up economic resources and setting terms of international commerce that favor only its own interests. On the contrary, it primarily uses military power to defend allies, keep open global trading routes enjoyed by all, and check the proliferation of dangerous weaponry. Secretary of Defense Robert Gates has taken a conciliatory, though cautious, approach to Chinese military modernization. His visit to China, heralded as a

⁹⁹ 2006 Department Defense Quadrennial Defense Review (Washington, D.C.: Department of Defense, 2006): 29.

¹⁰⁰ Annual Report to Congress: Military Power of the People’s Republic of China (U.S. Department of Defense, 2008): 27.

¹⁰¹ *Ibid.*: 32.

¹⁰² *Ibid.*: 33.

¹⁰³ Koji Wanatabe, “Five Uncertainties About China’s Future,” *Japan Times* (7 February 2008), at <http://search.japantimes.co.jp/cgi-bin/ea20080207a1.html>.

success by many observers of Asian military diplomacy, broadened the scope of military-to-military cooperation and established a direct hotline between both nations should a crisis arise. Gates's remarks at the Forbidden City further emphasized the need to develop cooperative relations — a view that is consistent with America's strategic objectives in the region.¹⁰⁴ Kurt Campbell and Richard Weitz describe China as holding the 1990s perception of “uncertainty, or the absence of transparency, as bolstering deterrence.”¹⁰⁵ It seems that China today still lacks the confidence to be a transparent partner in military exchanges. Gates's visit and the consistent efforts of the United States Pacific Command to engage China could be the first step toward getting more than declaration of China's intention to be a good actor. The United States will need to convince PLA leaders that transparency, not uncertainty, will be key to avoiding miscalculation in the future, particularly as the seas grow more crowded with more capable naval forces.

Unfortunately, the Chinese decision to deny harbor to the USS Kitty Hawk on Thanksgiving Day 2007 and refusal to allow shelter to U.S. minesweepers in duress suggest to some that Beijing is beginning to pursue provocative policies. These incidents, combined with the successful direct ascent anti-satellite test in January, mass collection of U.S. Treasury bills, and relentless hacking of Pentagon and other U.S. computer systems, underscore a potentially adventurous Chinese military policy

toward America. Individually, these events are perhaps inconsequential, but in sum, they indicate a more worrisome pattern of change in China's behavior toward the United States and its traditional role in the Asia-Pacific region.

¹⁰⁴Robert Gates, “Remarks at Forbidden City, Beijing, China,” (6 November 2007), at <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4082>.

¹⁰⁵Kurt Campbell, Richard Weitz, “The Limits of U.S.–China Military Cooperation: Lessons from 1995–1999,” *The Washington Quarterly* (Winter 2006).

RESURGENT RUSSIA IN ASIA

After years of democratic rhetoric and growing pains, it seems more and more likely that Moscow will settle as an “autocratic democracy” for several years.¹⁰⁶ Vladimir Putin’s reign has been a mixed blessing for both the international community and Russians. Russians have economically fared better with Putin on the whole and he remains popular. But the country remains dependent on natural gas and oil exports and has failed to diversify its economy. Russia’s potential for sustained economic growth is further limited by a demographic crisis — its population is in rapid decline, expected to fall from 148 million today to 100 million by mid-century.¹⁰⁷

Over the course of the past five years Russia has been slowly repositioning itself in the Asia-Pacific through arms sales, participation in regional venues like the Six-Party Talks, and energy exports. Even though Russia’s military presence in East Asia has declined—including the demise of the Russian Pacific Fleet (RPF) — “the Asia-Pacific region has witnessed Russia’s aggressive invasion in the defense technology market.”¹⁰⁸ According to the Congressional Research Service, between 1998 and 2005 Russia inked over US\$29 billion in arms sales to Asian countries.¹⁰⁹ China and India have been key drivers for Russia’s arms sales, but Moscow is courting new clients. In 2007 Russia and Indonesia agreed to a US\$1 billion arms sales package that includes Kilo-class submarines. This sale led one

commentator to state, “The signs that the Russian bear wants to return to its old stamping grounds in East Asia and the Pacific have become increasingly apparent in recent times.”¹¹⁰

Russia’s “arms diplomacy” is capitalizing on a strong regional demand for relatively inexpensive weapons. According to Alexey Muraviev, “The Russians are not indiscriminately selling arms... Russia has pursued a policy driven by its strategic design... [that] creates a strong client base that can later be transformed into a larger relationship.”¹¹¹ Moreover, and perhaps most telling, Russia is actively pursuing plans to recapitalize its infamous RPF — its principal means to project power in the Asia-Pacific, home to over half of Russia’s SLBM forces.¹¹² This ambitious program will not only be important to how regional players perceive Russia in the coming years but also how the regional balance shapes up. Most analysis today focuses on the rise of China and India and the almost inevitable reconfiguration of the Asia-Pacific security architecture. With Russia floating on a sea of resource wealth, this level of analysis is no longer sufficient. One of the world’s last land empires is attempting to reconstitute itself in ways that will likely challenge America’s position in the region. According to Graeme Gill, professor of politics and economics at the University of Sydney, “Russia seeks to strengthen its presence and raise its profile in the Far East as a counter to the US, who remains embedded in the region in Korea and Japan, and whose links with China are expanding.”¹¹³

¹⁰⁶For a poignant account of Russia’s autocratic regression, see Zbigniew Brzezinski, “Putin’s Choice,” *The Washington Quarterly* (Spring 2008). Also, for a more general analysis of the decline of global democracies and rise of autocracies see Larry Diamond, “The Democratic Rollback: The Resurgence of the Predatory State,” *Foreign Affairs* (March/April 2008).

¹⁰⁷“Russia’s Dangerous Decline,” *The Boston Globe* (5 May 2008), available at http://www.boston.com/bostonglobe/editorial_opinion/editorials/articles/2008/05/04/russias_dangerous_decline/.

¹⁰⁸Alexey Muraviev, “The Red Star of the Pacific: the Forgotten Player is Back,” *Australia Strategic Policy Institute Strategic Policy Forum Series* (28 August 2007).

¹⁰⁹Richard Grimmett, “Conventional Arms Transfers to Developing Nations, 1998–2005,” *Congressional Research Service* (23 October 2006). Also, see Donald Greenlees, “Russia arms old and new friends in Asia,” *International Herald Tribune* (5 September 2007).

¹¹⁰Donald Greenlees, “Russia arms old and new friends in Asia,” *International Herald Tribune* (5 September 2007).

¹¹¹Quoted in Donald Greenlees, “Russia arms old and new friends in Asia,” *International Herald Tribune* (5 September 2007).

¹¹²Alexey Muraviev, “The Red Star of the Pacific: the Forgotten Player is Back,” *Australia Strategic Policy Institute Strategic Policy Forum Series* (28 August 2007).

¹¹³Graeme Gill, “Red Star in the Pacific?” *Australia Strategic Policy Institute Strategic Policy Forum Series* (28 August 2007).

As indicated by its arms sales to China, India, or Indonesia, its less-than proactive approach in the Six-Party Talks, and its use of natural gas as a strategic weapon, Russia may be gearing itself up to become a nation with at least a credible veto power in the region. What remains unclear is Russia's strategic intent. According to Evgenii Primakov, former Russia Prime Minister, Russia's main priority in the Asia-Pacific is stability.¹¹⁴ For a Russia angered by Western expansion into its old sphere (from NATO expansion to the proposed installation of missile defense systems in Poland and the Czech Republic), stability could be synonymous with constraining U.S. freedom of action. The formation of the Shanghai Cooperation Organization has helped Russia maintain "stability" in Central Asia to the exclusion of America. SCO norms are distinctly Russian and Chinese in nature and are not necessarily in-line with America's geostrategic objectives in the Asia-Pacific, and "It is becoming clear that the Russians desire to use the SCO as a balance against Western maritime coalitions, and as the guardian of the greater Eurasian and, eventually, Asian space."¹¹⁵

If taken at face value, Putin's 2005 speech at the APEC summit articulates Russia's perceptions of the Asia-Pacific: "This region is not just a territory of vigorous economic growth. Here we see one of the positive consequences of globalization—a gradual leveling of social and economic development of different regions of the world. Another characteristic sign of the Asia-Pacific region is the highly dynamic integration process that helps form a new and more just world."¹¹⁶ The subtext of Putin's liberal rhetoric is a yearning for greater influence in the region, including reestablishing

Russia as a global power. Reasserting Russian might led Putin to increasingly aggressive rhetoric. At the 2007 Wehrkunde conference on international security he accused the United States of "plunging the world into an abyss of conflicts."¹¹⁷ According to Zbigniew Brzezinski, "the shock effect of his salvo... signaled to many Russians that their leader was no longer the protégé of the U.S. president but his global challenger, and that the end of Russian subservience to the United States marked Russia's return to the days of global preeminence."¹¹⁸ This speech was followed up almost six months later with a military pronouncement that the 37th Air Army (Russia's strategic missile and bomber force) will restart combat patrols over the Arctic, Atlantic, and Pacific Oceans, just days before Russian TU-95 Bears flew "provocatively" close to American military bases in Guam.¹¹⁹ This rhetoric suggests a more assertive Russia that is embracing a renewal of hard power in the Asia-Pacific.

In the face of provocative behavior, Western leaders will need to take a strategic view of Moscow. Putin, though autocratic, is popular. His assertive policies are likely here for the entirety of the next president's term. On the hardest issues of the day from North Korea to Iran, Moscow wields influence. The balance between confronting and engaging Moscow will be critical to leveraging Russian help on key issues throughout the Asia-Pacific and the rest of the world.

¹¹⁴ Evgenii Primakov, "Reflections on new trends in the region," *Global Asia* 1:1 (September 2006).

¹¹⁵ Alexey Muraviev, "Concluding remarks for the forum The Red Star of the Pacific," *Australia Strategic Policy Institute Strategic Policy Forum Series* (28 August 2007).

¹¹⁶ See Evgenii Primakov, "Reflections on new trends in the region," *Global Asia* 1:1 (September 2006).

¹¹⁷ Quotes appear in Zbigniew Brzezinski, "Putin's Choice," *The Washington Quarterly* 31:2 (Spring 2008): 111.

¹¹⁸ Zbigniew Brzezinski, "Putin's Choice," *The Washington Quarterly* 31:2 (Spring 2008): 111.

¹¹⁹ Donald Greenlees, "Russia arms old and new friends in Asia," *International Herald Tribune* (5 September 2007).

SOUTHEAST ASIA

The Association of Southeast Asian Nations, or ASEAN, turned 40 in August 2007 after a tumultuous decade for most of its founding members. Along with the Asian financial crisis, which spurred many reforms and new initiatives by the body, the Philippines, Thailand, and Indonesia all faced significant upheaval. Today, the political challenges have stabilized somewhat but are met by dramatic pressures across the community to even up income disparities and handle globalization. Skyrocketing food prices are sparking instability as rice gets too expensive for average Southeast Asians. Thailand is leading a call to establish a “rice cartel” along the lines of OPEC. Many members of ASEAN believe that American interests over the last seven years have been myopically focused on anti-terror efforts.¹²⁰ If during the Cold War America’s primary interest in the region was containing communism, followed by a somewhat laissez faire economic focus in the 1990s, that focus was supplanted almost entirely in the post-9/11 era by the global war on terror. Witness Senate testimony by then-Principal Deputy Assistant Secretary of State for East Asia, Donald Keyser:

EAP [Bureau of East Asia Pacific] has placed counter-terrorism at the top of its list of strategic foreign assistance goals for FY 2005. In light of a continued terrorist threat in Southeast Asia, evident in major bombings in Bali and Jakarta in the past two years, efforts to combat terrorist activity have been central to the pursuit of EAP’s strategic goals.¹²¹

This emphasis has created a yawning strategic gap that China has proven adept at filling.¹²²

Unfortunately, where limited tactical concerns — namely the war on terror — have been confused with strategic ones — increasing U.S. influence in order to facilitate the expansion of trade and global long-term security — the result has been a confusing mix of fractured policy decisions and messages to our ASEAN partners. If America’s influential role in the region is to continue, shared strategic concerns — like expanding current markets and opening new ones, assuring the openness of sea lines of communication and the safety of ports, confronting the negative impact of climate change, and, ultimately, working to create a cooperative rather than strictly competitive relationship with China — must be the focus of U.S.-Southeast Asia relations in the future.

Terrorism in Southeast Asia was a clear regional threat long before September 11, 2001. Well-established training, funding, and ideological ties between al Qaeda and entities such as the Abu Sayyaf Group (ASG) and the Moro Islamic Liberation Front in the Philippines and Jemaah Islamiyah (JI) in Indonesia existed before and after 9/11. Yet disagreement over the extent of the threat, particularly that resulting from the fact that several ASEAN members have Muslim majorities, leads to differing approaches to it, and such disagreements have only been exacerbated by the invasion of Iraq.¹²³ Furthermore, few ASEAN nations have capabilities robust enough to take the fight to the enemy as readily as Washington might like, even assuming they have the will to do so. As a result, counterterrorism and counterinsurgency cooperation in the region is best described as ad hoc, and little in the way of regional consensus has been reached for how best to collectively pursue these missions.¹²⁴

¹²⁰For just a few examples wherein this is discussed, see Abdullah Ahmad Badawi, Prime Minister of Malaysia, “Creating a Better Understanding of ASEAN–United States Relations,” address to the Asia Society, (15 September 2005); Ellen Frost, “Re-Engaging with Southeast Asia,” Pacific Forum CSIS, PacNet Number 37, (26 July 2006); and Michael Schiffer, “U.S. Must Show Commitment to Southeast Asia,” *The Des Moines Register* (September 2007).

¹²¹Statement by Principal Deputy Assistant Secretary of State Donald Keyser to the Senate Foreign Relations Committee (2 March 2004).

¹²²C.S. Kuppuswamy, “South East Asia: U.S. Interests, Influence and Involvement,” South Asia Analysis Group, Paper number 2188 (29 March 2007).

¹²³Amitav Acharya and Arabinda Acharya, “The Myth of the Second Front: Localizing the ‘War on Terror’ in Southeast Asia,” *The Washington Quarterly* (Autumn 2007).

¹²⁴*Ibid.*

Despite this, U.S.-led counterterrorism and counterinsurgency efforts in the region have proceeded with varying degrees of success. With regard to the Philippines, news reporting on U.S. involvement is focused squarely on American assistance to counterinsurgency (COIN) operations in the south against the ASG and the Moro Islamic Liberation Front. While the notable results of that assistance have included eliminating the former's leadership and forcing the latter to the negotiating table, annual joint exercises — most falling under the broadly inclusive name “Balikatan” — quietly serve the purpose of “power projection lite.” Not only have these assured a U.S. presence in the archipelago since the closing of Clark Air Force and Subic Bay Naval bases, but the recent broadening of their scope to include greater civil outreach and humanitarian assistance efforts (particularly relief operations in the aftermath of the 2004 tsunami) improves America's image and undercuts the radical Islamist narrative. Singapore and Thailand, meanwhile, continue to be strong allies of the United States, with the former couching the fight in terms that echo Washington's rhetoric. America remains Thailand's biggest trading partner — an exchange that is only expected to grow should the bilateral free trade agreement, on hold since Thailand's 2006 coup d'état, be negotiated — and joint exercises in Thailand have proceeded apace, though the various recent Thai governments have also fought Muslim separatists in the south without American assistance.¹²⁵

In Indonesia and Malaysia, official responses to the initial U.S. post-9/11 anti-terror push were largely negative because of sovereignty concerns and the fear of domestic pushback. “For Indonesia, terrorism is a political issue, closely tied to domestic

political dynamics. Counterterrorism and electoral politics make uneasy bedfellows in a newly democratic nation.”¹²⁶ Indeed, the 2001 cessation of military assistance to Indonesia (itself a continuation of an earlier embargo instituted in response to human rights abuses in East Timor) and the initial Indonesian refusal to accede to the Regional Maritime Security Initiative (RMSI) in 2004 resulted in cooling on both sides of the U.S.-Indonesia relationship. Yet recent relations have taken a different — and as of this moment, promising — course in Indonesia, despite the disconnect in security priorities. The U.S. military's response to the 2004 tsunami disaster, and the February 2007 agreement under which National Oceanic and Atmospheric Agency will provide Jakarta with technical assistance for development of a tsunami warning system, improved America's image on the archipelago and signaled a broadening of the relationship. The U.S. Department of Defense also publicly stated support for selling F-16s to Jakarta.¹²⁷ At the same time, it is argued that the decline in terror attacks within Indonesia since 2005 is the result not of any military campaign of the sort championed by the United States, but rather of the sublimation of Indonesian Islamist parties into the dominant political coalitions and processes.¹²⁸ The Indonesian situation is perhaps a textbook example of a Southeast Asian solution to a Southeast Asian problem and of Islam's compatibility with democracy, should the successes prove lasting.¹²⁹ Meanwhile, joint U.S.-Malaysia military exercises have quietly proceeded throughout the past decade and, despite the dragging-of-feet early in the decade, Kuala Lumpur in 2005 signaled its willingness to expand its focus on maritime security cooperation as a part of its renewal of the U.S.-Malaysian Access and Cross-Servicing Agreement defense pact.

¹²⁵ C.S. Kuppuswamy, “South East Asia: U.S. Interests, Influence and Involvement,” South Asia Analysis Group, paper no. 2188 (29 March 2007).

¹²⁶ Acharya: 81.

¹²⁷ Donna Miles, “Pentagon Chief Lauds U.S. – Indonesian Ties,” Armed Forces Press Service, (10 April 2008).

¹²⁸ John T. Sidel, “It is Not Getting Worse: Terrorism is Declining in Asia,” *Global Asia* (Winter 2007).

¹²⁹ *Ibid.*

ENERGY COMPETITION AND CLIMATE CHANGE

Climate change is a new issue area for Asian strategists whose strategic consciousness is now starting to recognize the challenges that it poses to the region's future. The promise of bringing billions of people out of poverty will continue to drive Asian nations to push for rapid industrialization at the expense of the environment and the global climate. Sixteen of the 20 most polluted cities in the world are located in China, leading marathon runners to worry about their ability to race in Beijing during the 2008 Olympic Games.¹³⁰ Research facilities from California to Washington State are finding pollutant particulates from China in their observation stations, an alarming trend that is likely to get worse as China constructs coal-fired power plants at a rate of two per week.¹³¹

The scientific consensus on global warming is now strong—and harrowing in its implications. In simple factual terms, the UN Intergovernmental Panel on Climate Change (IPCC) projects oceans could rise by up to a meter in the next thirty to fifty years if current carbon-based industrial trends continue and accelerate. Moreover, Asia's staple crop yields could decrease by 37 percent, mass desertification would occur from the Gobi through India, low-lying countries such as Bangladesh could lose much if not most of their territory to the sea, and water-borne and vector-borne diseases could become pervasive.¹³² Global weather events could also continue to become more volatile, frequent, and dangerous and the world could experience more extreme droughts and flooding, major displacement of large numbers of species from traditional habitats, and changing agricultural patterns. With sea level rise will come the exodus of

perhaps hundreds of millions of people currently living in low-lying coastal areas throughout Asia. Most of these things have already begun to happen and have been linked at least in part to climate change: for example, in the last thirty-five years the frequency of Category 4 and 5 hurricanes appears to have doubled.¹³³ And even if humans can take immediate action to stave off the worst possible effects of climate change, many of these trends are likely to occur, even if to a lesser degree of severity.

The rapid industrialization and development of Asia is already taxing international commodities and natural resources. China and India's voracious appetites for oil, natural gas, and coal will continue into the foreseeable future, while the rise of an industrializing Southeast Asia will increasingly be competing with these two giants for energy deals. Unfortunately, a collision course induced by resource competition seems inevitable in Asia.¹³⁴ The consequences of competition for territory and scarce resources—such as the Spratly Islands—will pit major powers versus developing nations with little in between in terms of mediating influences. Already, the Burmese Coast and Vietnamese natural gas deposits are causing rabid competition between China and India.

Resource competition will also impel terrorist groups and sea pirates seeking to disrupt modernization with attacks on vulnerable ships and oil tankers, most worrisome in the Straits of Malacca, through which 20 percent of global trade flows. As a result, naval cooperation and coordination between corporations and national security organizations will prove increasingly important. America must continue to take the lead in ensuring the security of critical ports and sea lanes of communication that serve both American and

¹³⁰ Zijun Li, "Filthy Air Choking China's Growth, Olympic Goals," *Worldwatch Institute* (14 February 2006).

¹³¹ Richard Armitage and Joseph Nye, "Stop Getting Mad, America. Get Smart." *The Washington Post* (10 December 2007).

¹³² John Podesta and Peter Ogden, "The Security Implications of Climate Change," in *The Age of Consequences* (Washington, D.C.: Center for a New American Security, 2007): 62-3.

¹³³ Kurt Campbell and Michael O'Hanlon, "The Real Triple Threat," *Hard Power* (Cambridge: Basic Books, 2006): 162.

¹³⁴ Michael Klare, "Revolving up the China Threat," *The Nation* (6 October 2005).

global interests. It also has a stark choice to make: whether its relationships with Asian nations concerning energy will be characterized by competition and blame or cooperation and improvement of the energy paradigm for all consumers.

Generating cooperative and binding agreements to deal with the threat of rising emissions from carbon dioxide and other greenhouse gases from industrialization will continue to prove difficult as nations prioritize a future of prosperity despite possible ecological unsustainability—falsely believing from the Western example that the latter does not seriously hamper the former. Absent sustained and cooperative dialogue on energy security, competition will increase to the point that it could trigger major conflict or war. Absent a serious focus on climate change and steps towards mitigation, the entire Asia-Pacific region will be in peril.

PARTISANSHIP AND PRAGMATISM: CHALLENGES TO BRIDGING THE PACIFIC DIVIDE AT HOME

Profound changes in U.S. outlook and behavior toward the world have taken place in the first years of the 21st century.¹³⁵ In fewer than five years, the United States has launched two major military campaigns; occupied two countries of extraordinary ethnic and geographic complexity; conducted the most significant reorganization of the government's national security architecture since 1947 with the creation of a new cabinet agency and an overhaul of its intelligence institutions; and articulated a bold agenda for the exercise of U.S. power in the world. Most analysts agree that this recent transformation of U.S. foreign policy, as well as of the institutions responsible for implementing it, is nothing short of revolutionary.¹³⁶

Accompanying these changes have been remarkable shifts in policy positions for many of those in the two main U.S. political camps. A president who entered office in 2000 calling for a more humble approach to the world and greater emphasis on traditional national interests vice "nation building"¹³⁷ has outlined and executed a broader interventionist doctrine of preemption, placing the promotion of democracy in the Middle East and elsewhere at the heart of the foreign policy agenda. Meanwhile, amongst the political left, there is greater reluctance to embrace the "freedom agenda," a core part of Democratic Party thinking beginning with President Woodrow Wilson and continuing through President Bill Clinton.

American foreign policy and national security debates currently are largely consumed by Iraq, and this preoccupation with the dire circumstances in the Middle East is decidedly bipartisan. This focus on the chaos and ruin of U.S. policy and what to do about it is likely to dominate policy circles for years to come and will easily cast the longest shadow on the 2008 elections.¹³⁸ While the United States is fully invested in difficult and draining wars in Iraq and Afghanistan and committed to a larger effort to overcome and undermine extremism globally, particularly violent fundamentalist Islam, many worry that the United States is becoming a peripheral player on other issues. Former Deputy Secretary of State Richard Armitage has said:

It's not that we're ignoring Asia a little bit; we're ignoring it totally. We're playing foreign policy at the moment like five-year olds play soccer, everyone is going after the ball at once rather than covering the whole field. Right now, we're just so preoccupied with Iraq that we're ignoring Asia totally.¹³⁹

Many observers would disagree with this assertion.¹⁴⁰ For example, Michael Green, former Senior Director for Asian Affairs at the National Security Council during the Bush administration, contends that "Despite the unpopularity of the Iraq war around the world, the reality is that the war has not changed any fundamental elements of Asia's rising influence on the international system, nor has it significantly weakened the U.S. hand in the region

¹³⁵ Many of the concepts expand from previous work by Kurt Campbell and Derek Chollet. For example, see Kurt Campbell and Derek Chollet, "The New Tribalism: Cliques and the Making of U.S. Foreign Policy," *The Washington Quarterly* (Winter 2007). Also, see Kurt Campbell and Derek Chollet, "The National Security Election," *The Washington Quarterly* (Winter 2008).

¹³⁶ See Ivo Daalder and James Lindsay, *America Unbound: The Bush Revolution in Foreign Policy* (Washington, D.C.: Brookings Institution Press, 2003); and Robert Jervis, "The Remaking of a Unipolar World," *The Washington Quarterly* (Summer 2006).

¹³⁷ Condoleezza Rice, "Promoting the National Interest" *Foreign Affairs* (January/February 2000).

¹³⁸ Anne Marie Slaughter, National Public Radio: All Things Considered (14 April 2008).

¹³⁹ As appears in Greg Sheridan, "China wins as 'US neglects region'" *The Australian* (3 September 2007).

¹⁴⁰ For example, see Michael Green, "The Iraq War and Asia: Assessing the Legacy," *The Washington Quarterly* (Winter 2008). See also Victor Cha, "Winning Asia: Washington's Untold Success Story," *Foreign Affairs* (November/December 2007).

in any enduring way.”¹⁴¹ Certainly, much has been achieved in Asia tactically, from successful disaster relief operations in Southeast Asia in the aftermath of the 2004 tsunami, to agreements that modernize and strengthen American alliances with Japan and Korea, to new levels of constructive engagement with both China and India. But in terms of strategic coherence, Secretary Armitage is exactly right: the sum of America’s tactical successes does not add up to a successful and comprehensive strategy for a region undergoing such substantial change. Nevertheless, it is perhaps not too early to sketch out some broad contours of policy approaches that are likely to transcend party differences when it comes to Asia.

Most American Asianists — Republicans and Democrats alike — now support vibrant and strong alliances throughout the Asia-Pacific without reservation, and the process of building concrete areas of cooperation, from defense to global climate change, can be expected to continue and even increase no matter which party claims the presidency. This basic bipartisan agreement on U.S. relations with Japan, for example, should be welcomed by Japanese observers as a very positive trend.

Continued questions about “which political party is a better for Asia” largely miss the point when it comes to the drama currently playing out in U.S. politics. Despite the desire to neatly compartmentalize Democrats and Republicans into differentiated boxes when it comes to policy approaches to Asia, the obvious truth is that the most intense debates are often inside the parties rather than between them. For instance, the biggest differences over how best to approach China policy are currently found between moderate Republicans — who believe China is the great

market partner for the United States — and conservative Republicans — who see the Middle Kingdom as the next great enemy of America.

The biggest underlying rifts within the Democratic Party right now center on issues of economics or globalization. The three pillars of “Rubinism,” named after Clinton-era Secretary of the Treasury Robert Rubin, are a belief in the essential promise of globalization, the importance of expanding trade, and the need for fiscal prudence. These principles have come under some strain, not just with the party’s rank and file but also increasingly among some elites. There is an uneasy recognition of some of the downsides of globalization, worries that other countries are getting the better of the United States in a complex global trading regime, and concerns that Democrats received very little credit for their thrifty ways in the 1990s, after which a Republican president and a Republican-led Congress simply spent with abandon. Although some of these issues are not openly debated, tensions churn just beneath the surface in Democratic camps. Meanwhile, vocal opposition by both Senators Obama and Clinton to the North American Free Trade Agreement, Colombia Free Trade Agreement, and the South Korea-U.S. Free Trade Agreement color our Asian friends’ perceptions of the Democratic trade platform.¹⁴² There is an uneasy recognition of some of the downsides and discontents of globalization, worries that other countries are getting the better of the United States in a complex global trading regime, and concerns that Democrats received very little credit for their spendthrift ways in the 1990s, after which a Republican president and a Republican-led Congress simply spent with abandon. Although some of these issues are not openly debated, tensions churn just beneath the surface in Democratic camps. Anti-trade rhetoric spurs Asian

¹⁴¹ Michael Green, “The Iraq War and Asia: Assessing the Legacy,” *The Washington Quarterly* (Winter 2008): 196.

¹⁴² Harold Furchtgott-Roth, “The New Protectionist Doctrine,” *The New York Sun* (5 March 2008).

fears that America will impose restrictive tariffs on exports—particularly conditions on labor and environmental standards—which could negatively impact their economic growth. Memories of President Clinton “bypassing Japan” in 1998 still color Japanese perceptions about the Democratic commitment to the alliance and strategic knowledge about Asia.

The Republicans also have areas of internal friction, such as immigration and how best to campaign around and cope with an unpopular president. Prior to awarding the Republican Party nomination to Senator John McCain, there was little debate about whether the United States needs to change course on the global scene. Instead, various candidates touted muscular rhetorical displays about who could be trusted to confront potential terrorists the earliest and with the most force, even including the use of nuclear weapons. Republicans are struggling with competing intellectual traditions that will be hard to manage. The more unilateral policies of President Bush and his core group of strategists are not an anomaly, but rather part of a rich conservative tradition in foreign policy.¹⁴³ As Senator McCain attempts to consolidate his foreign policy vision he will have to balance two strong and competing foreign policy traditions in the Republican Party: neoconservatism and conservative realism.¹⁴⁴

Despite the successes of the Bush administration in Asia (good relations with both Japan and China, stronger bilateral ties with several key states, and leveraged cooperation from various Asian partners in the larger global struggle with terrorism), there will likely not be an enthusiastic desire—even among Republicans—to publicly embrace the Bush “vision” in Asia.

Several factors explain this hesitance—a failure to resolve internal differences over North Korea policy; an unfortunate early decline in U.S.-South Korean relations that has more recently been renewed; a tendency to downplay the recent advances of China’s “soft” and “hard” power; and the larger critique of an American preoccupation away from Asia at a time of enormous consequence in the region. But the biggest reason will be Iraq. Having bet his entire presidency on Iraq and largely failing in the process, President George W. Bush will not receive much credit in the short term for other international initiatives, even those in Asia that went well.

Even though there are nuances associated with containment policies, many strategists believe that America must increase funding for advanced naval and air platforms to counter China’s growing military modernization programs and shore up support from our bilateral alliances to constrain Chinese expansionism. On the other hand, many foreign policymakers in America, both conservative and liberal, are wary of pursuing an overt containment strategy against China. Nevertheless, they also believe that engagement strategies by themselves are insufficient to encourage China into becoming a “responsible stakeholder.” Instead, they have devised a hybrid strategy of engaging China while ensuring America’s primacy in the Asia-Pacific region through hedging. China has adapted to this approach: Beijing came to accept confrontational rhetoric from then-Secretary of Defense Rumsfeld, but was shocked when Secretary Rice derided China for being a potentially negative force in Asia.¹⁴⁵ A hedging approach emphasizes engagement and inclusion into regional institutions and also puts emphasis on “realist-style balancing in

¹⁴³ Peter Scoblic, “Us Versus Them: How a Half-Century of Conservatism Has Undermined America’s Security” (New York: Viking Adult, April 2008).

¹⁴⁴ Peter Scoblic, “Meet John ‘Dubya’ McCain,” *Los Angeles Times* (23 April 2008).

¹⁴⁵ Jim Lobe, “Politics-US: Hawks Looking for New and Bigger Enemies?” *IPS* (5 May 2006). Also, see Jake Perlez, “As Rice visits Asia, a China subtext looms,” *International Herald Tribune* (13 March 2006).

the form of external security cooperation with Asian states and national military modernization programs.”¹⁴⁶ This formula demands strong bilateral alliances with our key traditional allies: Australia, India, Japan, and South Korea.

Asian Perceptions of the “Party Line”

In parts of Asia, particularly in influential quarters of Japan—in contrast to just about every other corner of the globe—the prospect of a Democratic American president is viewed with some trepidation. While Europeans watch the American presidential contest with interest and often have preferred outcomes, Asians view elections with unique intensity. There are actually several reasons that many Asian power centers seem to root for the GOP. First, the personal and political ties between Republican foreign policy elites and Asian cognoscenti are generally deeper and longer-held than those between Democrats and Asian policymakers. Second, Japanese and Indian friends have fresh and still painful memories of Japan- and India-bashing in the late 1970s, 1980s, and 1990s. Patterns of American unease over Asian commercial practices and prowess, focused on manufacturing and outsourcing, are always given greater voice in the Democratic Party than in the Republican Party. Third, Republicans have generally been better at appreciating the importance of “face” in the conduct of diplomacy in Asia (although lately this has been called into question), often understanding that to many Asian interlocutors, the style of engagement can be more important than the substance. Fourth, from New Delhi to Tokyo officials worry about a “tilt” in Democratic attentions toward Beijing. This was captured well in a conversation in March 2008 with a South Korean official who described China’s behavior as both profitable and worrying: Countries in the region, the official said, are concerned that China can be “very nice,

very ruthless.” The velvet glove of the PRC is met eagerly, but not without concerns about China’s future ambitions.

Democrats and Republicans who follow Asia policy truly understand the strategic importance of Asia. Unfortunately, more and more of their time has and will be spent managing competition within their own Asia-focused ranks and in dealing with the two military campaigns in Iraq and Afghanistan. These debates within the parties will have to be reconciled in order for a true reassessment of American strategic engagement in the region to take place. The complex dynamics of domestic politics influence American strategic consciousness and the next administration must do its best to re-balance American influence and position in the Asia-Pacific.

Amidst an incredible array of profound changes and challenges, Washington lacks a clear strategy for how to engage the Asia-Pacific in the immediate future. The paradox of strong bilateral alliances and waning American influence has been part of many conversations in Asia or with Asian policymakers and experts in Washington, D.C., and is provocatively captured by Kishore Mahbubani,

Perhaps most pundits in Washington—if they even noticed—would dismiss these slights [reference to missed meetings, etc.] as inconsequential. In so doing, they would reveal that the mental map of America’s strategic planners remains mired in the past, while the world is moving in a sharply different direction in the 21st century.¹⁴⁷

Countries such as Indonesia and Malaysia are playing larger and more consequential roles in Asia. They expect to contribute to regional stability and

¹⁴⁶ Evan Medeiros, “Strategic Hedging and the Future of Asia-Pacific Stability,” *The Washington Quarterly* (Winter 2005-06): 145. Also see Joseph Nye, “Toward a Liberal Realist Foreign Policy: A memo for the next president,” *Harvard Magazine* (March/April 2008): 38.

¹⁴⁷ Kishore Mahbubani, “Wake up, Washington: The US Risks Losing Asia,” *Global Asia* (Fall 2007).

prosperity in unique ways, with their own interests and power. These countries are now critical players in iAsia. American policymakers and strategists continue to miss tremendous opportunities by not acknowledging the ability for these nations to share the burden of responsibility in the region and beyond. Indonesian support for a Middle East peace process may not fit neatly with U.S. preferences, but it could be beneficial in the long run. The U.S. tendency to view differing policy approaches as dangerous closes off many avenues for progress. Indonesia sees unrest in the Middle East as having direct implications for its own internal security. As the world's largest Muslim nation and a multiparty democracy, Indonesia's assistance could help defuse Arab-Israeli tensions, but U.S. policymakers generally look askance at such extra-regional efforts. Reconciling the legitimate interests and aspirations of Asian states with American expectations will provide policymakers the opportunity to maximize the *power of balance*. Unfortunately, American policymakers have yet to fully internalize how best to maximize Asian assistance for intra- or extra-regional problems.

An exclusive reliance on bilateral connections with our close allies will be insufficient for many challenges in Asia, and the smaller states of the region will sometimes be of greater consequence than one may expect. Different combinations of friends, allies, and institutions will work better for different challenges. For example, while North Korean denuclearization negotiations may be best handled through a particular multilateral mechanism like the Six-Party Talks, challenges of climate change and environmental degradation will likely be better addressed through different structures, for example a forum of major polluters (China, India, South Korea, Japan, the United States) along with pressure from small, affected nations through a structure like ASEAN. The United States should

“The U.S. tendency to view differing policy approaches as dangerous closes off many avenues for progress.”

welcome the creation of various new forums like the East Asia Summit, and take the lead in various initiatives (as it has through the Proliferation Security Initiative) such as convening bi-, tri-, and multilateral discussions on various issues. Taking a cue from the baby-step approach of countries in the region, the United States could up the ante on regional cooperation with democracies just on economic issues to address concerns about banding together against China.¹⁴⁸ Preservation of—and broadening the scope of—alliance-based cooperation is critical to ensure that basic American interests are protected; strong alliances can also help create consensus-blocks in regional forums like APEC to steer regional institutions toward policies that maximize American influence and presence in the region.

America must be a central part of the integrating, innovating, and investing that is underway in Asia. iAsia will be mastered not by control but by balance. America should recognize that its control in Asia will be challenged by the rise of others and by competing global interests. iAsia's architecture—stable, competitive, bottom-up, and representative—is a good hedge against American irrelevance.

¹⁴⁸Sherman Katz, Devin Stewart, “Hedging China with FTAs,” *Asia Times* (1 October 2005).



"The geopolitical chessboard of the twenty-first century will be far more complex than the chessboards of the nineteenth and twentieth centuries, marked for the first time by the entry of several non-Western major powers. The decisions that affect the world can no longer be made in a few Western capitals whose cultural parameters in analyzing problems and solutions are essentially similar. Now new cultural and political perspectives have entered the scene. On this complex chessboard most Western commentators expected (with good reason) that the Western powers would continue to be the most shrewd and adept geopolitical actors. Instead, they have floundered. Their incompetence has also provided significant opportunities that China has been able to cleverly and carefully exploit without paying any serious political price in many quarters."

— Kishore Mahbubani, *The New Asian Hemisphere*, 2008¹⁴⁹

PART III:

A POWER OF BALANCE STRATEGY FOR AMERICA IN IASIA

When American strategists look at their interface with iAsia, the threats and challenges described above loom large. A host of proverbial viruses, worms, malware, and spyware could crash the emerging iAsia system: a hostile and unstable nuclear North Korea, a rising and potentially hegemonic China, a South Asian flashpoint, and transnational Islamist terrorism in Southeast Asia. Asian strategists see these challenges as well, often more acutely due to their proximity. But amidst it all, Asia's strategists see opportunities to be seized or squandered in iAsia and worry about security dilemmas that could be prompted by American miscalculation. The threat-versus-opportunity bifurcation explains many of the key strategic differences between the American and Asian ways. The American way is rooted in a hub-and-spoke alliance system that can promote freedom of action throughout the region. The Asian way is focused on multilateral approaches to problems rooted in consensus-building. Where America is transformative and wears the capability to coerce on its sleeve, Asia is incremental and committed to "non-interference." Asia has intuitively been shifting towards a power of balance approach to regional relations. The result has been Asian exasperation with America's prodding on issues like terrorism and America's impatience with Asian "talk shops." But the Asian way is not monolithic and the variety of strategic approaches across Asia suggest a greater need for the United States to more actively balance Asian strategic frameworks through a range of instruments and relationships. Before describing what an American power of balance strategy would include, it is important to understand the current strategic state of play.

“But the Asian way is not monolithic and the variety of strategic approaches across Asia suggest a greater need for the United States to more actively balance Asian strategic frameworks through a range of instruments and relationships.”

¹⁴⁹ Kishore Mahbubani, *The New Asian Hemisphere* (New York: Public Affairs, 2008): 224-25.

AMERICAN STRATEGY IN THE ASIA-PACIFIC

A participant in the 2007 Aspen Strategy Group meeting on China described roughly four American schools of thought for policy toward Asia: China First, Bilateral, China Threat, and Transnational.¹⁵⁰

The “China first” school puts China at the center of American strategy in Asia. All other bilateral relationships should be secondary to building a strong and resilient relationship with Beijing. Participants at Aspen saw this school as declining in influence.

The “bilateral alliances” school focuses on U.S. security alliances and partnerships as the keys to solving complex problems like China’s rise or North Korean nuclear provocations.

The “China threat” school sees China’s enormous commercial potential as a distraction from its emergence as a “near peer” competitor of the United States. These hawks anticipate a hegemonic rise, increasing tension, and focus on the need to prepare for (and thereby dissuade or deter) any future military clash with China.

The “transnational challenges” school believes that multilateral mechanisms focused on common challenges such as global climate change, environmental degradation, infectious diseases, and renewable energy should take precedence and will eclipse the traditional power games of the China threat school.

These “schools” capture much of the landscape of American strategic thinking on Asia. Asia policy analysis generally draws on each school, coming up with a synergistic American approach to

Asia that keeps bilateral alliances as a top strategic priority, seeks to engage China but maintain U.S. primacy, and tries to work with an array of partners on transnational threats. The difference between American strategists is generally one of degree or emphasis between these schools. Even “China threat” proponents are likely to agree on the importance of some transnational issues. But such mixing and matching of strategic means can be unsettling. Sensing strategic drift in the early 1990s, Condoleezza Rice proclaimed, “The United States has found it exceedingly difficult to define its “national interest” in the absence of Soviet power.”¹⁵¹ Michael Armacost described America’s Cold War Asia-Pacific strategy, based on hub-and-spoke military alliance networks, as afloat in the waters of the Pacific.¹⁵² Others have suggested that this old framework has given America an inflexible strategic purpose in the Asia-Pacific region.¹⁵³

The reality is that despite the evident ascent and transformation of Asia, the region has been perceived as a distraction rather than a focus by American policymakers since the fall of the Berlin Wall. When the Cold War ended the challenges that remained in Asia were far more complex (and at the same time more subtle) than in Europe or even the former Soviet states. But they were not more pressing. Management of the newly independent post-Soviet states and their WMD arsenals, and expansion of NATO and the EU to former Warsaw Pact members, required an extraordinary commitment by U.S. leadership. After 9/11, of course, terrorism and the Middle East filled the horizon for American strategists. The return of conflict in Asia, predicted by many in the 1990s, never materialized as the United States and Asian nations focused on maintaining stability and

¹⁵⁰ Kurt Campbell, “Concluding Observations,” in Campbell and Darsie, eds., *China’s March on the 21st Century* (Washington, D.C.: Aspen Institute, 2007): 160.

¹⁵¹ Condoleezza Rice, “Promoting the National Interest,” *Foreign Affairs* (January/February 2000).

¹⁵² Michael Armacost and J. Stapleton Roy, “America’s Role in Asia in 2004: An Overview,” *America’s Role in Asia: American Views* (San Francisco: The Asia Foundation, 2004): 1.

¹⁵³ Clyde Prestowitz, “The Purpose of American Power in Asia,” *Global Asia* 2:2 (Fall 2007): 2. Also see Francis Fukuyama, “Re-Envisioning Asia,” *Foreign Affairs* (January/February 2005).

recognized a need for the United States to stay engaged, even as it struggled to define a clear strategic vision.¹⁵⁴

Fortunately, the post-Cold War years in Asia have been marked by more concord than discord between the major U.S. political parties when it comes to Asia. President George H.W. Bush's foreign policy team continued many of the *realpolitik* strategies of the Cold War and focused on engaging the post-Cold War Asia-Pacific. Former Secretary of State James Baker III argued in 1991 that America's role should revolve around promoting regionalism, economic liberalization, and maintaining and adapting America's traditional hub-and-spoke alliance network in the region.¹⁵⁵ Even though he campaigned against a status quo approach to Asia, President Bill Clinton carried out many of the tenets of his predecessor's Asia-Pacific strategy. Clinton's foreign policy team framed American engagement in terms of globalization, and sought to empower multilateral and regional institutions, such as APEC, to take the lead in economic integration.¹⁵⁶ In conjunction with an economics-driven Asia-Pacific policy, President Clinton also sought to strengthen military alliances to help manage a potentially aggressive Chinese rise.¹⁵⁷ Moreover, then-Assistant Secretary of Defense for International Security Affairs Joseph Nye argued for a long-term reassessment of American alliances in the Asia-Pacific, including revamping and broadening the U.S.-Japan alliance.

When the Bush administration first came to power in 2000, numerous administration officials gave speeches filled with language concerning “rising

powers,” a term that was actually a coded phrase meant both to express concern over China's rise and to anticipate changes in U.S. foreign policy toward the newly significant Asian arena. September 11 profoundly refocused U.S. attentions, however, and over the course of the past five years U.S. strategists have been mostly preoccupied by policy issues far removed from the enormously vital and important developments ongoing in Asia—developments animated primarily by the rise of China.

The current Bush administration has paid more attention to democratic countries and core alliances like Japan and has toughened up the elements of “soft” containment of China by emphasizing new relations with India and ideas like quadrilateral cooperation between India, Japan, Australia, and the United States.¹⁵⁸ President Clinton's policy of “engagement” toward China, in practice now for over a generation, was perceived by some of President Bush's advisors as a naïve approach, based too much on commercial interests. Many felt the goal of drawing China into the global community of nations lacked clearly-defined metrics of success or failure. The acceptance of Cold War legacies and force structures struck the Bush team as no longer relevant, and this assessment led to a reconfiguration of America's global military footprint by changing force posture, pushing military transformation, and strengthening bilateral alliances. The 2006 QDR is very explicit that “China has the greatest potential to compete militarily with the United States and field disruptive military technologies that could over time offset traditional U.S. military advantages absent

¹⁵⁴ Victor Cha, “Winning Asia: Washington's Untold Success Story,” *Foreign Affairs* 86:6 (November/December 2007).

¹⁵⁵ For a complete account of Baker's Asia-Pacific strategy, see: James A. Baker, III, “America in Asia: Emerging Architecture for a Pacific Community,” *Foreign Affairs* (Winter 1991).

¹⁵⁶ Speech by Assistant Secretary of State for East Asian and Pacific Affairs Stanley Roth, “U.S. Asian Policy Overview,” (12 January 2001).

¹⁵⁷ Aaron Friedberg, “United States,” *Strategic Asia 2002-03: Asian Aftershocks*, Ellings and Friedberg, eds. (Seattle: National Bureau of Asian Research, 2003): 20-1.

¹⁵⁸ *Ibid.*

U.S. counterstrategies.”¹⁵⁹ It hearkens back to comments by then-Stanford Provost Condoleezza Rice in 2000:

China is not a “status quo” power but one that would like to alter Asia’s balance of power in its own favor. That alone makes it a strategic competitor, not the “strategic partner” the Clinton administration once called it...China’s success in controlling the balance of power depends in large part on America’s reaction to the challenge.¹⁶⁰

Overall, President Bush’s Asia-Pacific policies expanded American influence and attempted to reconcile competing strategic visions for handling the rise of China, managing threats posed by violent extremism, and expanding America’s alliances in the region.¹⁶¹ The 2002 “National Security Strategy of the United States of America,” various Pentagon documents such as the “Annual Report on the Military Power of the People’s Republic of China,” and the 2006 Quadrennial Defense Review Report have all raised deep anxieties regarding China’s military growth and global aspirations. Robert Zoellick’s now-infamous 2005 “responsible stakeholder speech” constitutes the pro-engagement camp’s first major counterattack in the ongoing bureaucratic infighting over the future of U.S. policy toward China.¹⁶² A sub-cabinet official has rarely presented a speech of such consequence and at such an important juncture. Zoellick argued for a policy of continued broad engagement and productive cooperation between the United States, the dominant power in the international arena, and China, the rising behemoth in Asia. The speech, coming just before the release of the Asian-focused dimensions of the Quadrennial Defense Review

(sometimes referred to as the “China threat” sections), was a necessary check on the increasing trend in some Republican circles to portray China publicly as the next strategic rival and military threat facing the United States. In recent years, proponents from both sides have engaged in a much more public debate.

Many, however, contend that the United States has done more in the last seven years to alienate allies and give China space as a possibly irresponsible ascendant. According to Kishore Mahbubani:

Since former deputy secretary of state Robert Zoellick framed China’s rise in terms of being a responsible stakeholder in the international community America has done little to actually encourage that behavior. America must begin to understand that Asian powers are competent and able to deal with regional and global challenges originating in the Asia-Pacific.¹⁶³

America’s strategy is not evolving fast enough. America needs to understand that the strategic interface that we long interacted with and through is no longer the dominant operating system, even though it provided the foundation for recent developments. We are dealing with a more integrated group of actors that have their own strategic consciousness and vision. America’s policymakers need to understand, study, and acknowledge this vision in order to shape it.

The eminent Asian philosopher Woody Allen once said that 80 percent of life is showing up, and perhaps most dangerous for U.S. interests in iAsia is America’s strategic absence. This is a bipartisan mistake. Key figures in recent administrations of both parties have made a habit of skipping critical

¹⁵⁹ 2006 *Department Defense Quadrennial Defense Review* (Washington D.C.: Department of Defense, 2006): 29.

¹⁶⁰ Condoleezza Rice, “Promoting the National Interest,” *Foreign Affairs* (January/February 2000).

¹⁶¹ Michael Green, “The Iraq War and Asia: Assessing the Legacy,” *The Washington Quarterly* (Spring 2008): 182-83.

¹⁶² Robert Zoellick, “Whither China: From Membership to Responsibility,” Remarks to National Committee on U.S.-China Relations, New York (21 September 2005).

¹⁶³ Kishore Mahbubani, *The New Asian Hemisphere* (New York: Public Affairs, 2008): 216.

meetings in Asia, meetings in which group participation is the primary factor in the overall grade.

Over the course of the last few years—particularly after the decision to invade Iraq in March 2003—America’s attractiveness, influence, and credibility in the Asia-Pacific have weakened. Yoichi Funabashi, the editor-in-chief of Japan’s *Asahi Shimbun*, sketched America’s dwindling standing in the region:

If you attended a July 4th Independence Day reception at the residence of an American ambassador in any of the Asian capitals in recent years, you would have noticed that the affairs are not as glamorous as they once were, even though this represents perhaps the most politically important occasion on the American social calendar. Compare this to China’s October 1st National Day reception, the hottest political-scene even in any Asian country today, a veritable who’s who of the political elite.¹⁶⁴

“The eminent Asian philosopher Woody Allen once said that 80 percent of life is showing up, and perhaps most dangerous for U.S. interests in Asia is America’s strategic absence.”

There is an acute perception among our Asian friends that America is no longer the “shining city on the hill.” Interestingly, it was a domestic failure that sparked the deepest concerns overseas. When Washington could not effectively respond to Hurricane Katrina, American competence was questioned in an unprecedented way. The nation that won the first Gulf War with amazing technological prowess was cowed by a natural disaster. Katrina showed an America not only unable to deal with terrorists hiding in caves in Afghanistan, but also callous towards its own people. And America’s luster suddenly dulled. Jefferson Morely reported in *The Washington Post*:

In the devastation wrought by Hurricane Katrina, the world media sees an appalling human tragedy and some lessons for the sole remaining superpower... more than a few observers seized the opportunity to point out what they see as evidence of America’s shortcomings. They discern in the disaster and its agonizing aftermath a reflection of less than admirable U.S. policies such as environmental neglect, imperial hubris and social callousness.¹⁶⁵

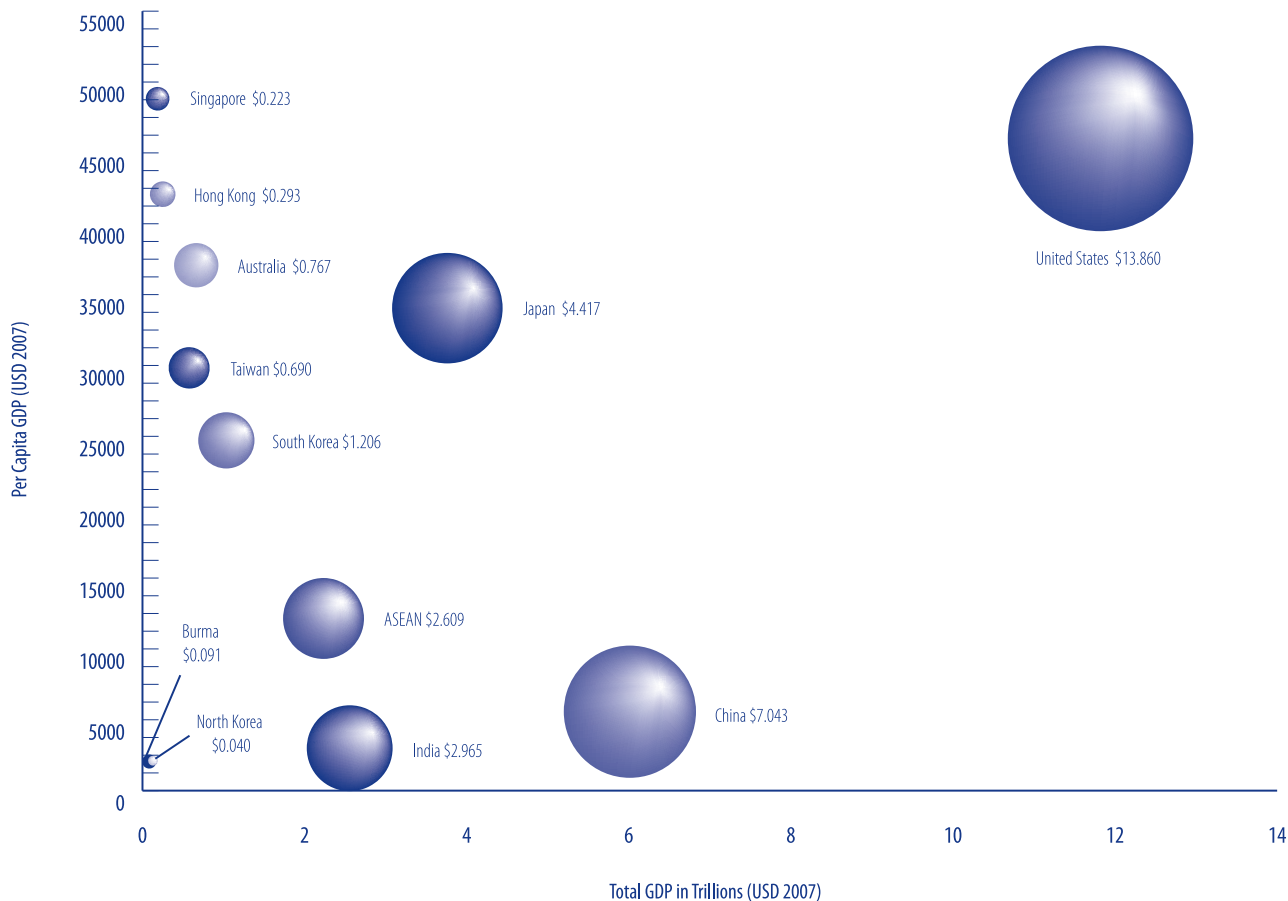
To many observers, Iraq has been the other shoe dropping on the American era. Regardless of recent progress due to the surge in U.S. forces, America’s struggles to pacify the country since 2003 have only reinforced an image of America as having gotten too big for its britches. Iraq has also raised concerns about American commitments to friends. Many Asians have the view that in American eyes, “the Middle East has replaced Western Europe and East Asia as the ‘fulcrum’ of international politics.”¹⁶⁶ At best, Asians view America’s focus on Iraq as folly. Many Asians (and Americans) think America has taken its eye off the ball, agreeing with former Assistant Secretary of State for East Asian and Pacific Affairs James Kelly, “there is an insufficient

¹⁶⁴ Yoichi Funabashi, “Power of Ideas: The U.S. is Losing its Edge,” *Global Asia* 2:2 (Fall 2007).

¹⁶⁵ Jefferson Morley, “In Katrina’s Eye, Visions of America,” *The Washington Post* (2 September 2005).

¹⁶⁶ Michael Armacost and J. Stapleton Roy, “America’s Role in Asia in 2004: An Overview,” *America’s Role in Asia: American Views* (San Francisco: The Asia Foundation, 2004): 6.

THE LONG ROAD AHEAD



Though China and India are growing rapidly, they remain poor and face significant obstacles on the path to prosperity. The size of each circle represents total real GDP, the height of the center of each circle represents per capita GDP. In an interdependent world, America cannot afford to see China and India falter. Sustained U.S. engagement will be critical to ensure that the people of India and China can prosper and contribute to the well-being and stability of the region and the world. Source: CIA World Fact Book.

realization that Asia has become the center of gravity...Policy and strategy toward East Asia are not easy to discern.”¹⁶⁷

Recent polls continue to suggest widespread anti-Americanism.¹⁶⁸ Perhaps most troubling, Asian nations are actively questioning America’s role as the region’s agenda setter.¹⁶⁹ Even though American credibility is actively questioned, the

dollar with its declining value remains the foundation of the global economy. America’s military is the strongest in the world and still critical for maintaining regional and global stability and prosperity. Moreover, American values and culture are emulated globally. As one noted Southeast Asian specialist has observed, even during the height of anti-Americanism in Indonesia, it remained the world’s largest market for MTV.¹⁷⁰ American

¹⁶⁷ As reported in Richard Halloran, “Losing focus on Asia-Pacific Region,” *Honolulu Advertiser* (11 February 2007).

¹⁶⁸ *Pew Global Attitudes Report*, “Global Unease With Major World Powers, Rising Environmental Concern in 47-Nation Survey,” (27 June 2007).

¹⁶⁹ *Pew Global Attitudes Project*, “Publics of Asian Powers Hold Negative Views of One Another, China’s Neighbors Worry About Its Growing Military Strength,” (21 September 2006).

¹⁷⁰ As reported in Joshua Kurlantzick, “Pax Asia-Pacific: Asia’s Emerging Identity and Implications for U.S. Policy,” (2007): 14.

performers remain global idols, American movies the most distributed worldwide, and American sitcoms are the “must-see” TV of the week. U.S. soft power, though undermined by declining American popularity, remains well-entrenched. Despite some loss of influence, most Asians still want the United States to play a constructive role in the region.

China’s “charm offensive” is also setting the tone for Asia—offering a potential alternative to American soft power—and its increasing interactions around the world. President Bush’s reception in Asia has been “lukewarm” compared with the attention “lavished” on Chinese Premier Hu Jintao.¹⁷¹ Throughout Asia, Africa, and South America, Chinese leaders are showered with tremendous fanfare, a sign of greater interests in China, whether economic or political. “China commands respect, particularly among the less-developed countries in Asia and elsewhere, because it is a country that knows how to overcome poverty and is opening its markets to the products of these countries without interfering in their internal politics.”¹⁷² A senior Japanese official recently described how the tone of Chinese diplomats had shifted in a short period of time from somewhat defensive to extremely expansive and confident.¹⁷³ It is clear now that China sees itself on the threshold of great power status, even though there is uncertainty over what that means. Xia Liping, professor at the Shanghai Institute of International Studies, argues that “By the middle of the 21st century China will be among the great powers in the world.”¹⁷⁴ President Hu Jintao and the ascent of China are subjects of scholarly discussions at many levels. What is most telling, however, is how good

China has become at branding its image, despite uncertainties over its military modernization program and known human rights abuses.

Asians are also noting a level of *strategic* absence even when American leaders are present. In stark contrast to George H.W. Bush’s emphasis on the Asia-Pacific Economic Conference as a means to facilitate economic integration and advance regional and global trade,¹⁷⁵ the current president has undermined the U.S. role in the forum. At the 2004 APEC meeting in Chile, President Bush focused on anti-terrorism cooperation and weapons of mass destruction, a subject somewhat peripheral to APEC’s mission of promoting business and economic integration, and appeared to Asian leaders as myopic.¹⁷⁶ He was in Santiago for 24 hours, in contrast to the two-week tour of the region taken by Hu Jintao. Bush stopped in Iraq on his way to the 2007 APEC meeting in Australia, a telling detour.¹⁷⁷ For many Australians, his presence was a costly nuisance and solidified widely-held views that Prime Minister Howard’s commitment to the United States was undermining rather than enhancing Australian security. Greg Sheridan, foreign editor for *The Australian*, was convinced that Bush’s performance at APEC demonstrated a lack of presidential focus to the region: “Overall, you’d have to say the press conference illustrates the increasing tin ear of the Bush administration in Asia.”¹⁷⁸

Many fear that George W. Bush’s anti-terror-focused foreign policy is sacrificing critical American interests and influence. As Michael Armacost and J. Stapleton Roy contended in 2004,

¹⁷¹ Yoichi Funabashi, “Power of Ideas: The U.S. is Losing its Edge,” *Global Asia* (Fall 2007).

¹⁷² *Ibid.*

¹⁷³ Interview with senior Japanese official, Ministry of Foreign Affairs (27 March 2008).

¹⁷⁴ Kurlantzick, *Charm Offensive*: 42-3.

¹⁷⁵ For example, see: James A. Baker, III, “America in Asia: Emerging Architecture for a Pacific Community,” *Foreign Affairs* (Winter 1991).

¹⁷⁶ Kurlantzick, *Charm Offensive*: 186.

¹⁷⁷ Greg Sheridan, “US needs to focus on more than war,” *The Australian* (5 September 2007).

¹⁷⁸ See Charles Hutzler, “Hu’s up, Bush down at Pacific Rim Summit (At APEC, Bush thought he was at OPEC),” *AP* (7 September 2007).

“without a more coherent and integrated strategy which links our approaches to East Asia with our policies in South and Southeast Asia, and which extends well beyond counter terrorism and checking nuclear proliferation, we could see American influence in the area seriously diminished, in the years ahead.”¹⁷⁹ In 2008, it is becoming clearer that America’s strategic myopia is undermining its central role in the region as most countries view the threat of jihadist violence as important, but not defining or all encompassing.

Secretary Rice has also skipped ministerial-level meetings, such as the ASEAN Regional Forum (ARF) and the 2008 round of the Australia-U.S. ministerial consultations (AUSMIN). Secretary Rice’s decision to miss the 2005 ARF—a stark change from Colin Powell, who attended all four meetings during his tenure as Secretary of State—was noted by headlines in regional newspapers such as “Condoleezza Rice: Too busy to care about Southeast Asia?”¹⁸⁰ In addition, it repeated what Asians now see as a pattern: Sirin Pitsuwan, the current ASEAN Secretary General and former Thai foreign minister, noted that skipping the meeting sent a “wrong signal” to the region and spurred a perception that “we are being marginalized, ignored, and given little attention.”¹⁸¹ Even though ARF meetings rarely produce concrete deliverables, one astute Asia strategist notes that “in Asia, perception frequently trumps reality, and Rice’s ill-conceived decision to skip her first ARF meeting regrettably will reinforce all the wrong perceptions at a time when Southeast Asians are seeking reassurance of Washington’s continuing

commitment in the face of a rising China.”¹⁸² Moreover, these meetings do have value: they provide an effective venue for discreet meetings with other foreign leaders and space for sensitive backchannel negotiations. For example, Secretary Powell met with North Korean officials on the sidelines of one ARF meeting, which helped reestablish dialogue that was critical to jumpstarting denuclearization negotiations.¹⁸³ While Secretaries Albright and Christopher both also missed ARF meetings, Secretary Rice missing her first ARF meeting sent a signal of U.S. perceptions of the stakes in Asia today.¹⁸⁴ With so much changing in Asia, including China’s “charm offensive,” questions of U.S. commitment to the region are now more profound.¹⁸⁵

When Secretary Rice decided not to attend the 2008 Australia-U.S. Ministerial Consultations, Secretary of Defense Robert Gates led the American delegation. In her absence, Secretary Gates and the Department of Defense have moved in to fill the diplomatic vacuum. On that trip, he gave a strong speech in Indonesia where he laid out a strategic vision to deal with challenges in the Asia-Pacific.¹⁸⁶ Secretary Gates has tirelessly traveled throughout Asia and across the globe, meeting with foreign leaders in an attempt to shore up America’s relations on a range of issues, not simply Iraq and Afghanistan. Still, the Secretary of State simply cannot afford to delegate diplomacy to the Defense Department without expecting consequences. The international perception of America has been shaped in large part by views of America as a belligerent and militaristic nation,

¹⁷⁹ Michael Armacost and J. Stapleton Roy, “America’s Role in Asia in 2004: An Overview,” *America’s Role in Asia: American Views* (San Francisco: The Asia Foundation, 2004): 6.

¹⁸⁰ See Ralph Cossa, “Rice’s unfortunate choice,” *Asia Times* (28 July 2005).

¹⁸¹ See Darren Schuettler, “Bush no-show sends ‘wrong signal’ to SE Asia,” *Reuters* (20 July 2007).

¹⁸² Ralph Cossa, “Rice’s unfortunate choice,” *Asia Times* (28 July 2005).

¹⁸³ Todd Purdum and Don Kirk, “Powell Meets with North Korea Counterpart in Brunei,” *The New York Times* (31 July 2002). Also see Ralph Cossa, “Rice’s unfortunate choice,” *Asia Times* (28 July 2005).

¹⁸⁴ Ralph Cossa, “Rice’s unfortunate choice,” *Asia Times* (28 July 2005).

¹⁸⁵ Term coined by Joshua Kurlantzick in *Charm Offensive*.

¹⁸⁶ Secretary of Defense Robert Gates, “Speech to Indonesian Council on World Affairs,” (25 February 2008).

something that could easily be exacerbated by the perception of a Department of Defense that is more diplomatically active than corresponding American diplomats.

Focusing more attention on Asia would be a key step in giving America's public diplomacy strategy a major facelift.¹⁸⁷ Given the atmosphere in Asia, the United States could gain considerable ground by just showing up to ministerial level meetings, and it has much to lose if it fails to invest in face time. A former senior U.S. official described one interaction with an Asian counterpart who said, "The problem is not that the Secretary is missing key level meetings in the Asia-Pacific—it's that she's not missed."¹⁸⁸

¹⁸⁷Price Floyd, "Public diplomacy is more than public relations," *The Financial Times* (21 June 2007).

¹⁸⁸Interview with former high-ranking US official (4 March 2008).

STRATEGIC THOUGHT IN iASIA: BEYOND AMERICA

An examination of the strategic viewpoints of Asian leaders shows that the region still looks to the United States to resolve conflicts and to ensure security, for now. America's position in Asia survived multiple wars and close calls during the Cold War. The question now is whether American influence in Asia can survive inattention given preoccupation of America's strategic approach, the dramatic changes afoot in iAsia, and the maturation of a generation of Asian strategic thinkers.

This new generation of Asian strategists is typically both staunchly nationalist and committed to multilateralism.¹⁸⁹ The formative Cold War years for American strategists were a tension between internationalist and unilateralist approaches to a

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common foe, Soviet communism. But the same period was one of anti-colonialism for Asians, who were likely to see communism or non-alignment as key to national independence. Then-Senator John F. Kennedy warned in 1956 that “extremists and

communists” were exploiting surging nationalism in Asia (and Africa). Speaking to the World Affairs Council, he said, “We have permitted the Soviets to falsely pose as the world’s anti-colonialism leader, and we have appeared in the eyes of millions of key uncommitted people to have abandoned our proud traditions of self-determination and independence.”¹⁹⁰ Despite the strong postwar commitment to Japan, the wars in Korea and Vietnam affirmed the view of America as first and foremost an ideological foe of Communism rather than selfless friend of national liberation.

Today, stability and economic growth are much more important to most Asian strategists than is Western liberal democracy, although traditional balance of power concerns are not far from these strategists’ mind as China develops its military capabilities and Russia and India expand their naval reach. Leading Asian strategists such as Wang Jisi, Chung-in Moon, and Hitoshi Tanaka understand the United States better than American experts understand Asia. They are educated at elite Western universities, are fluent in English, and have either spent significant time in America or Europe or actively follow Western news and policies. They are thinking in creative ways as power shifts from the Atlantic to the Pacific and as they confront regional problems that have global consequences.¹⁹¹ Yet these new thinkers of iAsia may or may not come to support the broad American conclusion that free market reforms along with political liberalization are the key to long-term success. Nor may they necessarily agree with each other on the correct path for Asia.

The region’s political, social, cultural, and economic diversity does not seem conducive to forging a common strategic view. The “Asian way” still

¹⁸⁹ Some notable, but not exhaustive, scholars include: Kishore Mahbubani, Raja Mohan, Nobukatsu Kanehara, Wang Jisi, and Chung-in Moon, to name a few.

¹⁹⁰ John F. Kennedy, Remarks to the Los Angeles World Affairs Council Luncheon (21 September 1956).

¹⁹¹ From Henry Kissinger to Paul Kennedy, American strategic thinkers agree that this power shift is taking place. Kennedy for example writes, “The global economic balances (and, following them, the military-strategic balances of power) are shifting from the West to Asia; only a fool would deny that,” in “A bigger nation isn’t always better,” *International Herald Tribune* (18 April 2008).

comes in several flavors and the strongest varieties rest on the safe common ground of national sovereignty. In Asia, many roads have led to sovereignty: democracy and non-alignment in India, communism in China, an authoritarian free market in South Korea, and in Japan, democracy and alignment with the United States. As longtime hosts to tens of thousands of U.S. troops on whom they depend for security, only Japan and South Korea have adopted a fairly American strategic worldview, including an embrace of Western democratic values (in South Korea, only after decades of dictatorial rule). Nonetheless, despite their differences, Asian strategists understand the need to collaborate.

Their orientations and paths may be different — India is turning from non-alignment to an Eastward realism (competing for example with China for influence in Burma); Thailand and Singapore seek to balance engagement with both China and the United States; and Korea and Japan seek a greater U.S. role in the region — but together Asian nations have created a web of regional connections in support of stability, prosperity, non-interference, and non-military problem solving between states. The Association of Southeast Asian Nations unexpectedly evolved into the nucleus of a strategic Asian regionalism beginning in the mid 1990s, as China adopted its so-called “charm offensive.” The 1997-98 East Asian financial crisis helped boost China’s standing in the region due to its commitment to maintaining its currency valuation (and in contrast to the U.S.-led IMF measures). The 2003 SARS outbreak consolidated the view of many in the region that multilateral approaches are needed to address key challenges and non-traditional threats.

When it comes to their own neighborhood, Asian strategists have arguably grown more sophisticated than their Western counterparts. As America’s bilateral, hub-and-spoke model of engagement becomes less relevant to many complex challenges in the region, Asian policymakers are waiting to see if Washington takes notice. For Asian nations that suffered tremendous chaos over the course of the 20th century, a chance for a new start to a new century is at hand. From the construction of new institutions of higher learning, such as India’s proliferation of technology-focused universities, to the development of think tanks, the advancement of critical thought has accompanied development in Asia. To put this into perspective, China has dozens of research institutions dedicated to foreign policy, some of which house as many as 4,000 people. This gives China a cadre of 45,000 to 50,000 researchers. The entire British and European international relations think tank community employs a few thousand, while America has around 10,000.¹⁹² China is not alone in this phenomenon. Asian nations from Thailand to the Philippines are attempting to develop a network of non- and quasi-governmental research institutes to better integrate their strategic perspective with their neighbors and with Washington.¹⁹³ The insatiable Asian appetite for higher learning is likely to set the stage for longer-term economic growth. Asians are proud of what they have managed to do with reshaping the post-WWII order, and this reorientation is still early in its formative stages.

American strategists have long hoped this burgeoning community of Asian strategists would lead to greater regionalism and cooperation on more difficult issues. According to Hitoshi Tanaka, former Japanese Deputy Minister for foreign

¹⁹² Mark Leonard, *What is China Thinking*, (Philadelphia: Public Affairs, 2008): 8-9.

¹⁹³ For example, the government of Thailand in conjunction with the Thailand Development and Research Institute, the Institute of Security and International Studies, and Chulalongkorn University are focusing on developing an integrated network of think tanks in Thailand.

affairs, getting beyond market-driven integration is important:

An East Asia Security Forum could play in engendering a more stable and cooperative atmosphere in the region. As states find themselves increasingly bound together by rules and operations, this inclusive process will also lay the groundwork for still-deeper regionalization and, ultimately, the formalization of an East Asia community.¹⁹⁴

The proliferation of “minilateral” meetings and “multilateral plus” summits throughout the Asia-Pacific should not be dismissed as “talk shops;” rather, American policymakers must begin to understand their purpose and value. Forums like ASEAN+3 or the East Asia Summit represent confidence building mechanisms that can institutionalize values and restraint and that can be used by any nation or group of nations to handle specific issues. Instead of complaining about being excluded, the United States should proactively build bridges to new regional organizations in order to promote long-term U.S. interests. Integration won’t be easy, but America must continue to engage as a Pacific power.

Many authoritative Chinese voices, such as Wang Jisi, contend that “On almost every issue, the Chinese harbor suspicions that the U.S. has malignant plans to restrain the growth of China’s power and to take advantage of its vulnerabilities.”¹⁹⁵ As influential political scientist Gan Yang posits:

China’s very existence creates a problem for Western accounts of world history. The Bible didn’t say anything about China. Hegel saw

world history starting with primitive China and ending in a crescendo of perfection with German civilization. Fukuyama’s ‘end of history’ thesis simply replaces Germany with America. But suddenly, the West has discovered that in the East there is this China: a large empire, with a long history and glorious past. A whole new world has emerged.¹⁹⁶

Scholars like these effectively serve as counselors to the Chinese foreign policy establishment and their perspectives are given tremendous weight in determining China’s post-Deng Xiaoping identity. Integration will require America to be both patient and respectful of China. This does not mean that Washington should stand by quietly when Beijing cracks down on its own people, aids repressive regimes, or makes provocative gestures toward Taipei. But America should not disengage either.

Most American analysis starts from the idea that bilateral alliances can both serve our interests and contribute to stability and prosperity in the region, without facing constraints from various regional forces. Strong bilateral alliances are clearly important for maintaining stability, but America’s role in new structures will be critical. As Francis Fukuyama notes:

Asia needs to develop a new set of multilateral organizations... But this new multilateralism cannot come into being without the strong support of the United States... With the end of the Cold War and the continuing economic development of eastern Asia, power relationships are changing in ways that have unlocked nationalist passions and rivalries. The potential

¹⁹⁴Hitoshi Tanka and Adam P. Liff, “The Strategic Rationale for East Community Building,” in *East Asia at a Crossroads*, Jusuf Wanandi and Tadashi Yamamoto, eds., (Tokyo: Japan Center for International Exchange, 2008): 104.

¹⁹⁵Wang Jisi, “America in Asia: How Much Does China Care,” *Global Asia* (Fall 2007).

¹⁹⁶Gan Yang, “The Grand Three Traditions in the New Era: The Integration of the Three Traditions and the Re-emergence of the Chinese Civilization,” in Mark Leonard, *What is China Thinking*, (Philadelphia: Public Affairs, 2008): 5.

for misunderstanding and conflict...will be significant in the coming years—but it can be mitigated if multiple avenues of discussion exist between the states.¹⁹⁷

How Washington engages will be key. Many Asians argue that the United States does not engage enough and when it does, it either engages the wrong forums or in the wrong way. This is represented by a profound strategic absence from the region that continues to complicate America's influence and credibility—leading Singapore's "strategic voice" to declare that "strategic thinkers in Washington still see the world through the prism of the 19th and 20th century, focusing on the Atlantic when the real geopolitical challenges of the future will emerge from the Pacific."¹⁹⁸

Echoing this view is eminent South Korean scholar and diplomat, Chung-in Moon:

There is a quiet, but growing unease across Asia about the conduct of America in this region. From cabinet meetings to academic gatherings and even among the general public, attitudes toward American power and its role in Asia are being re-examined. While much of this soul-searching has been a reaction to the policies of U.S. President George W. Bush, especially those driven by neoconservatives, the roots go back to America's long and often positive, but sometimes ambivalent, engagement with the region. It comes at a time when China and India are reemerging as powerful nations, and Japan is regaining its confidence and economic prowess.¹⁹⁹

From an American perspective, this criticism also applies to many Asian strategists who are absent from discussions on larger global challenges, such

as terrorism, climate change, and proliferation of weapons of mass destruction. America is in a unique position to impress upon its Asian friends that they must begin to look beyond their own internal borders toward playing a more responsible role both regionally and globally. Some of these trends are already playing out. For example, both Indonesia and Japan have taken a more proactive role in assisting in the mediation of the Arab-Israeli conflict.²⁰⁰ Korea and Japan have supported U.S. operations in Afghanistan and Iraq. In such circumstances, Asians are often effective because they are viewed as neutral forces. As interested stakeholders in maintaining the global order, Asian nations should be urged to shoulder some of the burden presented by global challenges. While some Asians view the United States as a bully, some Americans view Asian nations as free riders. Washington needs to engage as an equal in multi-lateral organizations in Asia, rather than trying to direct them, while Asian leaders should play their appropriate global role.

¹⁹⁷ Francis Fukuyama, "Re-Envisioning Asia," *Foreign Affairs* (January/February 2005).

¹⁹⁸ Kishore Mahbubani, "Wake up, Washington: The US Risks Losing Asia," *Global Asia* (Fall 2007).

¹⁹⁹ Chung-in Moon and David Plott, "Letter from the Editor," *Global Asia* (Fall 2007).

²⁰⁰ Statement by Press Secretary Kazuo Kodama of the Japanese Foreign Ministry on the current situation of Israel and the Palestinian Territories (18 April 2008).

TOWARD A POWER OF BALANCE STRATEGY

Getting Asia right will require maintaining the systems that are working well, as well as relentless experimentation with new ideas that may prove fruitful in areas where change is afoot. Americans must also begin to expand their strategic horizons to understand that the Asia-Pacific is now home to some of the most capable, constructive and provocative strategists in the world. These Asian leaders and strategists are in the process of creating instruments of a regional multinational

“The next President of the United States, Republican or Democrat, will need to look again, and hard, at iAsia if he or she wants America to lead change in the Pacific rather than merely react to a new order shaped by others.”

order and are ever more active on the world stage. These instruments will not be like NATO or the European Union with which the United States is so familiar. The viewpoints of the current generation of Asian strategists challenge America’s deep connection to the value of bilateral alliance systems. They do not see black-and-white Western-style alliance structures for Asia, where history and nationalism color strategic judgment and thought. Ultimately, there should be no question as to the importance and utility of America’s

alliance structures—they will continue to be the foundation for years to come. But this foundation must be built upon, extended and enlarged. The capability of traditional structures to deal with the dynamic challenges in Asia beyond the usual security concerns must be questioned. Fresh thinking requires American policymakers and strategists to expand their interactions through a multiplicity of forums in Asia—many of which compete with and reinforce existing frameworks—and to shape the nature of existing and possible new institutions with a more sustained, complex and constructive engagement.

The next President of the United States, Republican or Democrat, will need to look again, and hard, at iAsia if he or she wants America to lead change in the Pacific rather than merely react to a new order shaped by others. If in four or eight years the only thing America can say is that it maintained and strengthened traditional bilateral alliances, policymakers will have put American equities and strategic influence at risk. Nations in Asia are increasingly eyeing a multilateral regional order that promotes stability and open markets. The current momentum is clearing the way for these institutions and networks to develop and mature. Will America play an active role in shaping and guiding these institutions, or a more passive one, reacting from the sidelines? Failing to be proactive at this critical juncture would be a mistake.

The concurrent challenges of fighting the war on terror and learning how to live with a rising China, in short, will require starkly different government efforts and capacities. Either one on its own would be daunting, and taken together, may prove overwhelming. The violent struggle with Islamic jihadists is now an inescapable feature of American foreign policy, while relations with China involve a complex mix of cooperation and competition but are not necessarily destined to degenerate into open hostility. It will be prudent for American strategists to consider how best to shape these

simultaneous challenges. The time for strategic reexamination of our position in the Asia-Pacific is now—understanding the benefits of a *power of balance* model can provide for an effective means to deal with the multiplicity of challenges likely to confront the United States in the near future.

The *power of balance* is the key to success in this environment, and this section attempts to provide some clarity for the next president, Democratic or Republican, on how best to manage challenges in the Asia-Pacific region in the coming years. America's strategic objective must first be to ensure that the rising powers of Asia continue to depend on and defend the stable international order, protect commerce, shun international conflict, and come together to address transnational issues. The iAsia of 2008 is not the Asia of 1998. Tremendous changes have altered how nations conduct diplomatic business. American strategy toward the region must both sustain strategic access, power, and influence and enhance engagement in a multiplicity of forums.

(1) REASSERT STRATEGIC PRESENCE

In 1967, Richard Nixon wrote in *Foreign Affairs* that American preoccupation in Vietnam had impacted our credibility and influence around the world: “The war in Vietnam has for so long dominated our field of vision that it has distorted our picture of Asia. A small country on the rim of the continent has filled the screen of our minds; but it does not fill the map. Sometimes dramatically, but more often quietly, the rest of Asia has been undergoing a profound, an exciting and an extraordinary promising transformation.”²⁰¹ Replace “Vietnam” with “Iraq” and you can imagine a presidential candidate saying the same thing today. In fact, all of the presidential candidates should consider taking a cue from candidate Nixon and articulate an intention to ensure American strategic presence in Asia despite the multitude of other problems at hand.

Over the course of the last two decades Asian heads of state, ministers, and their eventual successors have candidly expressed the occasional frustration and dissatisfaction with American engagement, and some in the region are now preparing themselves for a possible prolonged shift in America's focus away from Asia. Clarity from a new administration about its strategic intentions in Asia should come immediately, with strong presidential statements, speeches, and authoritative government reports that emphasize Asia's enduring importance to the United States. In these various venues, the president should focus on the global challenges and prospects for cooperation in the Asia-Pacific, and articulate a vision for the region that is as integral to U.S. wellbeing as Europe is.

²⁰¹ Richard Nixon, “Asia After Viet Nam,” *Foreign Affairs* (1967): 111.

(2) MAINTAIN STRONG BILATERAL TIES

A regional plan is only as strong as the bilateral relations underpinning it. America's bilateral alliances must remain the foundation for its engagement in the Asia-Pacific. While it is true that bilateral alliances will increasingly prove less capable of dealing with many new challenges in the region, they are still indispensable for managing traditional security challenges. The United States must continue to build strong bilateral relations as a foundational element in its overall approach to Asia. For more than 50 years, America's hub-and-spoke alliance strategy has been the focus of America's position and power projection in the Asia-Pacific, and this approach can be as relevant in the 21st century as it was during the better part of the 20th.

“A regional plan is only as strong as the bilateral relations underpinning it. America's bilateral alliances must remain the foundation for its engagement in the Asia-Pacific.”

The Bush administration has enhanced American bilateral alliances in Asia and has helped spark new partnerships with countries like India and strengthened relations with Japan and Australia. These successes are setting the stage for strategic progress that can be achieved on a new generation of common problems beyond the traditional

security challenges. However, while a holistic strategy that uses bilateral ties to enhance the promotion of prosperity and democratic values must include standard elements of “promoting stability,” U.S. policymakers should see this as more than window dressing: Asia is not Europe. Territorial disputes persist, militaries are being built, and historic animosities threaten progress at every step. America's alliances continue to be a calming constant in a sea of change.

Steps can be taken to shape and strengthen all of America's key Asian alliances for the future. In particular, the United States should endeavor to consult more frequently and effectively on a broad range of security issues, from diplomatic engagement to military matters. Clear gaps in this habit of consultation, plus a tendency for the U.S. to act first and tell later, have tended to undermine the confidence of our allies and impeded steps to advance joint cooperation. The foundation for strong bilateral relations must be constant, open, and genuine consultation with each of our allies in the region.

Japan

The U.S.-Japan alliance will remain the foundation stone for American engagement in the Asia-Pacific. Japan is a fundamental component of American engagement with the region both militarily and economically. America must expand its role and the purpose of its cooperation with Japan. Tokyo and Washington should consider drafting a new joint security statement that moves beyond the 1996 accord toward a more forward-looking horizon for security cooperation. This statement would coincide with the sixty-year anniversary of the establishment of the U.S.-Japan security partnership. Many of the challenges that have confronted the alliance over the course of the past decade have arisen because of a lack of clarity from Tokyo and Washington on alliance-based cooperation and commitment. Establishing a strategic dialogue and a new joint security declaration will help manage

expectations and reduce friction within the alliance. In particular, Washington should reaffirm its role as ultimate security guarantor, including its nuclear umbrella over Japan.

The U.S. should also encourage Japan to continue its active engagement in areas outside of its immediate neighborhood, including Tokyo's efforts to promote peace and stability in Afghanistan, Iraq and in Africa. Even as security-based cooperation will prove more important in the coming years, America must also recognize the importance of the alliance in dealing with other non-traditional issues, particularly global warming and its consequences. Japan is already a global leader in this arena with tremendous clout and credibility in shaping discussions and international policy. Enhancing issues-based cooperation should be encouraged. These steps taken together will prove instrumental in further broadening the scope and purpose of the alliance, and help make it as relevant for the future Asian order as it has been in the past.

South Korea

The U.S.-ROK alliance is one of the most integrated and capable military-based alliances in the world. Unfortunately, over the course of the past decade various challenges, exacerbated by poor relations between Presidents Bush and Roh Moo-hyun, have called into question both Seoul's and Washington's commitment to the alliance. American policymakers must reaffirm the importance of the alliance and propose new strategic guidelines to enhance bilateral cooperation and relations. Many of the challenges facing the alliance are due to misperceptions and poor communication. For example, several senior South Korean Ministry of National Defense (MND) officials fear that transfer of wartime operational control (OPCON) from U.S. Forces Korea to MND will expose, but leave unaddressed, many weaknesses in the South Korean military. They fear that during the transfer process American officials will

ignore major weaknesses in order to meet the 2012 OPCON transfer deadline. Establishing a formal strategic dialogue will be important to clarify strategic intentions, concerns, and tactical issues, such as OPCON goals and troop relocation. Moreover, reassurance of America's nuclear commitment will help allay fears in South Korea of alliance erosion, abandonment, and kowtowing toward North Korea. This will also help continue to enhance U.S. power projection capabilities in the greater East Asian environment.

The time to articulate a new purpose for the alliance is now. Washington should take advantage of a pro-alliance government and leadership in Seoul to expand cooperation. There remains a question about the purpose of the alliance should security conditions in North Korea improve or be resolved through a future peace regime or unification. The U.S. and Korean public must understand the value of the alliance beyond peninsular concerns. Historically, the alliance has focused on security issues, but the evolving Asia-Pacific security environment requires a more nimble and agile alliance capable of dealing with threats ranging from Islamist extremism to poverty to conflict in the South China Sea. Furthermore, ratification of the Korea-U.S. Free Trade Agreement (KORUS-FTA) will be an important step in broadening alliance-based cooperation. Unfortunately, domestic politics in Washington are likely to complicate ratification of the agreement. The next president should allocate the appropriate diplomatic capital to ensure the passage of the agreement—a failure to do so risks major setbacks to the future of the alliance.

Fortunately, many capable Asian and national security strategists are crafting alternative frameworks to deal with the new challenges confronting both the U.S. and South Korea. Among these groups and thinkers, John Ikenberry and Mitchell Reiss released a very useful agenda-setting report on how best to reshape the alliance to remain

relevant for the future. The Center for a New American Security is also developing a strategic report on the future of the U.S.-ROK alliance for autumn 2008. Some general areas of consensus include: expansion of the alliance into non-traditional issues like humanitarian relief operations that will likely increase in frequency and complexity in the coming years; development of joint technological solutions to problems of global climate change and fossil fuel depletion; and increasing cooperation in nation-state reconstruction efforts. These are just a few examples of expanding alliance-based cooperation that highlight the urgent need to think creatively about the future of bilateral collaboration.

Australia

Australia is increasingly and indisputably a top-tier American ally and a critical partner in the most sensitive and important U.S. missions in the world. Canberra has stood with America through the best and worst times and will continue to do so in the coming years. However, managing this relationship in the near term might prove increasingly difficult as domestic politics in Australia have become more critical of America's role in the world and called into question Canberra's unwavering support of the United States. Witness the election of Kevin Rudd and editorial page commentary arguing that his election was a referendum against Howard's overly pro-U.S. policies. The unpopularity of the Iraq war among the Australian electorate has been a sore point in state-to-state relations under the Rudd administration. Yet both sides have taken pains to continue cooperation in other areas and to downplay any perception of discord.

Apart from these challenges, American decision makers, diplomats, and officials will have to reengage Canberra on terms that are both politically appealing to Australians and also in Australia's strategic interest. Australia, like the United States, is attempting to manage the rise of China and also deal with jihadi terrorists. Washington must

establish a strategic framework that balances America's weaknesses with Australia's strengths. Even though Canberra has a different means of dealing with China, its ability to effectively integrate and focus Beijing's attention on economic issues has been important in maintaining peace and stability in Oceania and Southeast Asia. Moreover, Australia's assistance in counterinsurgency campaigns in the Middle East and Southeast Asia is precisely what many Asian friends view as the best policy approach. The next American president must understand the sensitivities that Australia faces in the coming years as it attempts to define its identity and position in the region while striking a balance with its citizen's visions of Australia in the international community.

India

American policymakers are correctly devoting more time and attention to improving ties with India, the only country that can match China in terms of demographic weight. India is one of the world's most important democracies and "arriving" states in global politics; efforts to strengthen bilateral cooperation in the fields of counterterrorism, defense, and economics would help reinforce India's position in Asia in the face of China's rise. Equally important, Washington must appreciate the increasingly apparent latent Indian anxieties about the process of building stronger relations with the United States. India is gradually maturing, and its strategic culture is only slowly evolving to recognize the need to develop more nuanced and forward-looking foreign policies. America must remain a patient partner with India while encouraging greater interaction across a broader range of issues and areas, such as commerce, energy, and the environment.

The next president must build on the successes of the Bush administration's India policy and recognize the versatility of India as a strategic partner both in Asia and globally. There must also be a profound recognition that India does not wish

merely to be a hedge in the U.S. strategy toward a rising China. Indeed, New Delhi itself is seeking to balance new and important ties between Washington and Beijing. To complicate matters, Indian leaders and strategists desire a carefully calibrated U.S. strategy toward China—one that seeks to confront Chinese encroachment and strategic gambits and does not needlessly alienate the leaders in Beijing or set back Asian commercial activities. Striking a delicate balance that meets American interests and pleases Indian interlocutors will be one of the great balancing acts for American statecraft in the decades ahead. In recent years, Americans have witnessed the India nuclear deal hanging in the balance and growing relations between China and India. Fortunately, even if the former is not ratified, Indo-American relations are so intertwined and fundamental that the heart of the relationship is unlikely to skip a beat. During the deliberative phase of the next administration's India policy, particular attention must be given to the economic dimension of the relationship. India is on course to become an economic powerhouse over the next 20 years; however, it remains vexed by poor infrastructure and inefficiencies. These are areas where U.S. investment and assistance will pay enormous dividends. A strong and growing U.S.-Indian relationship is one of the very few unmistakably positive developments in global politics in recent years. A new administration would be wise to recognize this and build on this positive inheritance.

Taiwan

The United States still needs to help create the incentives (and disincentives) that will encourage Taipei and Beijing to maintain a peaceful status quo across the Straits, certainly unless and until a democratically acceptable settlement can be reached at some point in the future. Creative U.S. diplomatic skill—backed up by military muscle

—will continue to be a necessary ingredient to dissuade Beijing from any coercive course toward Taiwan and to support a constructive approach. Meanwhile, Washington should seek ways for Taiwan to participate in the international community—such as full membership in the World Health Organization—while stressing that Taipei must come to fundamentally accept inevitable limitations of its indeterminate status.

The victory of Ma Ying-jeou in the recent Presidential election and the ratcheting down of independence rhetoric by Taipei provides much-needed space for cooperative dialogue to resume. Preserving peace and stability is the key to any true progress in relations and a core dimension of any future resolution, and this process requires strategic clarity and perseverance from Washington. Lately, perceptions in Beijing that Washington is less committed to Taiwan have become more pervasive, in part because of poor relations between President Bush and Chen Shui bian.²⁰² If China misreads American commitment to Taiwan, there could be a return to the dangerous brinkmanship of the 1990s. The United States should review its policy options for preserving cross-Straits peace and stability. The foundation of such a review should be a clear commitment to Taiwanese democracy within the context of the accepted status quo and to the principles of the U.S. interpretation of the One-China policy.

The United States should also conduct more sustained and sensitive dialogue with key regional allies and friends about changing cross-Straits dynamics, both to consider their views and to take the Taiwan situation out of its narrow bilateral context. Washington should also focus on and promote the hopeful signs of cultural interaction and commercial links between the two sides across the Strait. At the same time, the United States must

²⁰² Shirley Kan, "Security Implications of Taiwan's Presidential Election of March 2008," Congressional Research Service (4 April 2008): 11.

continue prudent contingency planning and maintain an active military presence in the region to sustain deterrence. The U.S. should also consider a more active diplomatic role to help facilitate future cross-Strait discussions on political, military, and other issues. Continuing to provide prudent defense articles to Taiwan will also be a critical component of U.S. policy and will help preserve deterrence and provide confidence in Taiwan in its diplomatic dealings with China.

The United States need not draw a “line in the Strait,” but should clarify its commitment to the defense of Taiwan in the event of unprovoked aggression. The United States should conscientiously consider further steps to upgrade Taiwanese defenses as required by the unrelenting Chinese military buildup and should contemplate renewing some quiet official interactions with Taipei so long as the Island’s leadership refrains from a destabilizing course. Such a clear commitment to “dual deterrence” (of both Chinese aggression and Taiwanese secession) should be complemented by greater support for constructive engagement. Taiwan is no place to abandon America’s principles, and a balanced approach that is firm but conducive to cross-Strait progress would be instrumental in ensuring peace and stability in the region while protecting Taiwan’s democracy.

Singapore

Though not a formal American treaty alliance, U.S.-Singapore relations have been critical to the advancement of U.S. interests and influence in the Asia-Pacific and will prove increasingly important as Washington attempts to bridge its divide with Southeast Asia.²⁰³ The 2004 Strategic Framework Agreement elevated cooperation to focus on both

traditional and nontraditional issues, including terrorism, proliferation of weapons of mass destruction, and emerging regional powers.²⁰⁴ America should build on existing maritime cooperation with Singapore to ensure the safety and security of critical sea lines of communication, particularly the Straits of Malacca. Threats emanating from piracy and the trafficking of humans and narcotics will require greater U.S.-Singapore maritime surveillance cooperation and integration of intelligence and command and control assets.²⁰⁵ Singapore continues to be a global leader and innovator in developing anti-terror technology and tactics that could enhance American counter-insurgency and anti-terror operations. Singapore’s contributions to the United States during the Iraq War, including offering health care and police advisors to American and coalition forces, should be encouraged and expanded as American military operations and reconstruction efforts continue in Iraq and Afghanistan.²⁰⁶

The ratification of the U.S.-Singapore Free Trade Agreement (USSFTA) has been critical to the advancement of economic ties and overall bilateral relations. According to former U.S. Ambassador to Singapore Frank Lavin, Singapore should be the “undisputed, premier business platform for U.S. firms in Asia.”²⁰⁷ Singapore is America’s 12th-largest trading partner and will prove an important anchor in ensuring the expansion of American business and industry in this economically dynamic region. Singapore is also an anchor of investment, innovation, and integration in Asia. Greater strategic investment in the bilateral relationship will prove invaluable to expanding America’s economic influence and sustaining continued American engagement in the region.

²⁰³ See: Ambassador Chan Heng Chee in “US-ASEAN Business Council Interview with United States Ambassador to Singapore Frank Lavin and Singapore Ambassador to the United States Chan Heng Chee,” (28 January 2008).

²⁰⁴ “Strategic Framework Agreement between the United States of America and the Republic of Singapore for a Closer Cooperation Partnership in Defense and Security,” (12 July 2005).

²⁰⁵ Bruce Vaughn, “U.S. Strategic and Defense Relationships in the Asia-Pacific Region,” *CRS Report for Congress* (22 January 2007).

²⁰⁶ *Ibid.*

²⁰⁷ As referenced in: Speech by Tommy Koh to the American Chamber of Commerce in Singapore (15 April 2002).

Strong U.S.-Singapore relations should continue to guide American engagement in Southeast Asia. Singapore's strategic thinkers offer a refined and nuanced understanding of Asia that can be useful in informing American strategic interests (particularly in relation to maintaining the free flow of commerce and anti-terrorism cooperation). American policymakers must take advantage of the resources and assets Singapore offers by enhancing bilateral engagement and leveraging Singapore's regional multilateral leadership, particularly where Indonesia is concerned.

Southeast Asia

Southeast Asia has long been an arena for great power forays, sometimes with catastrophic consequences. For example, during the Cold War Washington armed paramilitary groups to fight communist insurgencies in the region—sometimes at the expense of democratic values and the host state's stability. Today, successful management requires the recognition of the region as a global center of integration, innovation, and investment; the keys to many pressing challenges of the day—from the rise of China to radical jihadism to global climate change—may well lie in Southeast Asia.

China is engaged in an enormous long-term effort to build influence in the region. It is investing in roads, schools, and hospitals, and increasing military cooperation as part of its strategic charm offensive. All the while, America's absence from the region is generating anxiety amongst long-time American friends and risks squandering U.S. potential to shape the region's strategic contours. The recent appointment of an American Ambassador to ASEAN, though an important step, cannot remedy the growing imbalance between sustained and high-level Chinese engagement and perceived American disinterest and disengagement. China has natural advantages in the region to be sure, including substantial cultural

connections and large diasporas. Though traditional balance of power approaches will tempt American policymakers to try to woo Southeast Asian nations away from China, such an approach would be inappropriate and largely futile. Balance in Southeast Asia will require nuanced approaches and persistent engagement on a variety of issues as well as an appreciation that Chinese power is a simple fact of life throughout the region. Coexistence and balanced relations will serve the interests of all the parties involved—the U.S., China, and Southeast Asia.

The next administration should spend significant time and energy recalibrating U.S. relations with Southeast Asia through ASEAN and its associated vehicles, while particular attention and focus should be directed toward Indonesia. America should seek to regain the confidence of those Southeast Asian friends and allies in whose rise to full prosperity and democracy Washington maintains an enduring interest. It should demonstrate the willingness to work carefully and responsibly to help achieve that rise. America should also take a higher profile approach to encouraging ASEAN partners to press for positive change in those countries like Myanmar, Laos, and Cambodia that currently inhibit regional integration and progress.

Undermining violent jihadism globally cannot be accomplished without Southeast Asian expertise and assistance, and indeed the ultimate success of the region itself. The United States should endeavor to formalize broad counterterrorism cooperation with Southeast Asian friends. Many in Southeast Asia worry that America's approach to extremism relies too much on military means, while they take a more integrated law enforcement approach. Achieving a balance between approaches necessary to facilitate cooperation, as seen in the Philippines, might well prove decisive in the overall struggle (see Recommendation 6).

The impact of extreme environmental degradation and global climate change will also be felt more acutely in Southeast Asia than perhaps anywhere else on earth, due to low level coastal areas and already severe weather patterns. As these nations develop and urbanize, competition for both scarce resources and energy will increase. The United States should lead the way in helping build cooperative frameworks to mitigate and manage the already apparent consequences of these challenges, many of which are already playing out in the region's politics, agriculture, fishing and forestation. Key to all of these challenges are new and more innovative partnerships on everything from trade to alternative energy to military and security issues. It is not easy to envision real progress without American engagement, and the vehicles will have to include both bilateral and Asian multilateral mechanisms.

(3) GET IN THE GAME AND ENGAGE MORE ACTIVELY IN REGIONAL AND MULTILATERAL FORUMS

America's lack of strategic engagement in the region — highlighted by skipping important meetings, such as the ARF — is sending the signal to our friends and allies in the region that America doesn't care and giving China's adroit diplomatic corps space to capitalize and develop stronger bonds in East Asia. Fortunately, American absence in the region has not yet translated into strategic demise — our values and presence remain largely enduring. However, failure to more fully interact in Asian institutions may undermine many gains America has made in the past 50 years. *iAsia* is integrating at an unprecedented rate; America should respond by investing greater diplomatic capital and aligning focus toward the region.

Attendance is Mandatory

The next American president must not only recognize the importance of attending high-level meetings in Asia but must actively schedule meetings and summits that will further American strategic interests. American engagement in the global commons should return to multilateral consultation and cooperation. A proactive American president can make a big difference in convincing our Asian friends and allies that their interests are understood and recognized at the highest levels. The office of the president has unique authority and power and is capable of reorienting bureaucracies and policy. Policymakers in Asia put great stock in the statements of foreign leaders. Setting the tone early on will be important if the next president is to convince our Asian allies and friends that America's position in the region is not sustained only through our primacy but also through building and developing complementary and productive partnerships; not only through bilateral ties but also through larger Asian institutions.

The next secretary of state should make it standard operating procedure that a senior American official—assistant secretary or higher—is present at every important meeting in Asia. Furthermore, the secretary of state should attend all ministerial level meetings and dialogues that are of strategic concern to America. This would help counter perceptions in Asia that America is not interested, and it would also assure our allies that America remains a Pacific power. It will be taxing and exhausting, but the United States will gain many political frequent flier miles in the process.

Indeed, there are human limitations to American engagement in the Asia-Pacific. There is only so much time a senior official can spend traveling. Many of these limitations are attributed more to the bureaucratic structure of the Department of State than personal hostility towards attending high-level meetings. Currently, the under secretary of state for political affairs controls a global portfolio that forces compromises and trade-offs in terms of attending increasingly crucial meetings. These decisions are difficult to make and do not always serve America's longer term strategic interests. Therefore, the next secretary of state should consider a reorganization of the State Department. Specifically, he or she should consider splitting the functions of the current under secretary of state for political affairs' line-item authority. Given the vastness of the world and proliferation of many issues before the United States, another high-level hand would be a welcome relief at the top of the American diplomatic establishment. This second under secretary would enable a much more active American engagement in Asia and elsewhere. A corollary benefit might be that not only would Asia receive more top-level attention but so too would South America and Africa.

Minilateral and Trilateral Meetings

The ghosts of Asia's past increasingly imperil the region's promising future—a future that holds considerable consequences for western, and particularly U.S., economic and security interests. It is therefore necessary, if not urgent, for Washington to work more actively towards rapprochement and better cooperation between the three dominant states of the Asia-Pacific region: China, Japan, and the United States. The United States has generally been content to conduct the lion's share of diplomacy at the bilateral level in Asia.

Japan and China are especially furtive about exposing themselves in any high-stakes diplomacy involving the United States and the other power, and there is little momentum in Washington to extend the reach of its relationships in Asia beyond the bilateral level. But it is the United States that should augment its current strategy with a trilateral component. As a first step, the United States should call for a high-level meeting between Washington, Tokyo, and Beijing.

Critics of the trilateral idea warn that the United States should be mindful about creating a regional architecture that alienates other neighbors (particularly South Korea in this case), and must avoid giving China a forum that could enhance its regional prestige. This overlooks the primary point: it is in America's national security interest to ensure, and play a proactive role in, positive Sino-Japanese relations and rapprochement. The United States has a clear interest in Japan being reconciled more honestly with its past, not as a favor to China but in recognition that antipathy toward Tokyo runs deep in Asia.

At the same time, the United States need not worry that trilateral initiatives would give China too much clout in Asia. While America has been focusing on regions such as Afghanistan and Iraq, China has been busy establishing itself as the next great power on the world scene. Beijing does not

need U.S. help to enhance its regional stature; it is doing this on its own. The question, therefore, is not whether China will be a great power, but how the United States will help influence the direction that China takes in its new role. A U.S.-Sino-Japan strategic summit could go a long way toward promoting a cooperative, constructive China, rather than a challenging one.

Furthermore, just as the United States has profound interest in stable and predictable relations between Japan and China, so too does America require much more durable and entrenched cooperation and trust between two of Asia's great democracies, South Korea and Japan. The resumption of U.S.-Japan-ROK foreign minister talks should be a high priority for the next president. Stable Japanese-Korean bilateral relations are important to the stability of Northeast Asia and must be constantly nurtured.

The United States, China, South Korea, and Japan have many mutual interests, including: a growing need for secure energy supplies; a common front in the war on terror; a goal of a nuclear-free Korean peninsula; a desire to solve territorial disputes peacefully; an interest in seeing Asian economic growth and prosperity continue; and an overriding need to reassure the other states of Asia that the enormous Asia-Pacific region is big enough for South Korea, Japan, China, and the United States to coexist and prosper. Trilateral meetings in both situations can further regional goals and trilateral standing in an increasingly complex Northeast Asian political and security environment.

Values-Based Architecture

Recent debates surrounding the need for values-based regional architectures have been heated. There is general consensus from many Asian nations that an organization that alienates China is not in the interest of most Asia-Pacific nations. However, establishing a more inclusive democratic organization (D-4+), for example, is important to

shaping regional interactions in Asia that require collaboration amongst democracies, such as ensuring free and fair elections in Mongolia and in many burgeoning Southeast Asian democracies. America, with the assistance of its friends and allies, must continue to insist that China, Laos, Cambodia, and Burma take steps to institute a culture more respectful of the rule of law and to extend democratic rights to their citizens. There is no doubt that this process will be heated and drawn out, but it is important for America and its Asian friends to continue to emphasize the benefits of democracy for long-term growth and stability. Sending a signal to Beijing that the hardware of iAsia will remain driven by open democratic architecture will be critical to maintaining stability and preserving American strategic engagement in the region.

China's "charm offensive" in the region — especially its intensive engagement with countries in Southeast Asia — should serve as a guide to American decision makers that if we don't reenergize our diplomatic efforts in the region, we will lose out. Consider Yochi Funabashi's comments made earlier in this paper — America's allure in the region is decreasing but our popular appeal remains. As a starting point, presence in meetings and interaction in multilateral forums will prove important for America to regain traction lost in the past few years.

(4) ARTICULATE A REALISTIC AND PRAGMATIC CHINA POLICY

The United States has practiced a policy of “engagement” towards China for over two decades—a somewhat ill-defined approach based on commercial interaction designed to draw the Middle Kingdom into the global community of nations but largely free of clear metrics of success or failure. The United States has hedged its bets to be sure by maintaining a robust military presence in the Asia-Pacific region, but the “engagement” and “hedging” aspects of the American approach are not well integrated, and the United States must begin to consider how best to interact with China in the next phase of relations. Too much focus on hedging can lead to consequences America seeks to avoid. Too much deference to Chinese wishes or concerns will also sow doubt in the region about America’s staying power and resolve. China has arrived and must be dealt with in myriad ways, and a strong China policy must have both a sound philosophical and strategic base.

Rather than seeking to weaken or confront the United States directly, Chinese leaders are pursuing a subtle, multifaceted, long-term grand strategy that aims to derive as many benefits as possible within the existing international system while accumulating the economic wherewithal, military strength, and other resources to reinforce China’s continuing emergence as a regional great power. The United States, in cooperation with other countries, will need to develop a comprehensive strategy to deal with the growing strength and increasing sophistication of the People’s Republic of China. For the United States, a realistic and pragmatic policy requires three steps. First, China’s political and cultural predominance in the Asia-Pacific should be accepted as a fact of life, long true, with which American policy needs to contend. Second, such an acceptance should focus American strategy away from visions of military conflict and toward the arenas of economic, political, and cultural

engagement and competition in the region. Making clear to China that military conflict would be unbearable can be accomplished with a simple commitment to maintain American military power in the region. This commitment should include increased military-to-military engagement with China rather than an active effort to contain Chinese influence. Matching China’s considerable

“There are few problems, or indeed solutions, in contemporary international relations that do not in some important way require engagement with China. Americans must begin to accommodate themselves to this new reality of foreign policy.”

— Henry A. Kissinger, remarks to the CSIS Board of Advisors, June 2004

investment in influence in the Asia-Pacific will require a much clearer focus on America’s non-military tools of power. Third, Washington needs to review and prioritize areas of policy concern with China. Human rights, military modernization, energy competition, and environmental issues all require different tools and different levels of effort and emphasis by the United States.

“Increasingly, Washington must recognize that the crucial dimensions of U.S. policy toward China depend not on what China is but on what China does.”

Most of Asia recognizes and accepts, albeit with barely disguised anxiety, the amount of influence China has in the region and pursues a largely successful self-reinforcing mixture of deep engagement and soft balancing, shifting the emphasis in light of particular questions at issue. An effective American policy toward China should not replicate the strategies pursued by Singapore, Thailand, and Vietnam to deal with the Chinese colossus on their border. But given the dimensions of the China challenge, it would behoove Washington to learn from how its friends in Asia attempt to employ all available foreign policy tools in a comprehensive and integrated manner. With the unique capabilities it can bring to bear, Washington can shape Chinese actions on key issues through the cultivation of allies and friends, the targeted use of foreign assistance, the prudent strengthening and use of military power, the development of more robust intelligence capabilities, the waging of better public education campaigns, and the credible demonstration of sustained political will.

Increasingly, Washington must recognize that the crucial dimensions of U.S. policy toward China depend not on what China is but on what China does. This includes U.S. interests in actions taken by China to liberalize beyond the economic sphere and concerns about Chinese repression in areas like Tibet. But the most fruitful way toward

improved elements of democratic governance in China will remain patient engagement. Efforts at coercion will prove largely, perhaps even purely, counterproductive, as will strong-handed diplomatic campaigns that merely end up insulting Chinese leaders. In order to strike the right balance, America should facilitate an atmosphere of positive bilateral relations with a steady approach of quiet diplomatic pressure and occasional voices of concern in the face of egregious violations. Watching and reacting to what China does in terms of securing access to energy and resources will require a similar balance, with emphasis on possible areas of cooperation between China, the United States, and other major consumer nations. Above all, the first-order problem for American and global interests today is how a rapidly developing China impacts both the literal and political environment.

A new administration will continue to suffer from a high degree of preoccupation, and China’s diplomacy continues to show signs of occasionally possessing a zero-sum quality. A clear and carefully constructed statement by the next U.S. president on U.S.-China cooperation is needed at the very outset. It would help set the tone and create a government-wide set of expectations for how to deal with China. There is an urgent need to think creatively and operationally about how to construct a strategy, at least for the short term, which takes into account that the U.S. is essentially operating with one hand tied behind its back. Conducting an effective China policy will involve more than just interacting with Beijing. It must be embedded within an overall policy toward Asia that uses ties with key allies to act as a force multiplier for U.S. interests throughout the region. Such a strategy should include the following elements:

- *A U.S. commitment to continued prosperity and stability in China and a welcoming of political liberalization.*

Talking of China's "rise" can be unhelpful in that it oversimplifies the future possibilities. China could rise benevolently or aggressively and, indeed, China could falter. The peaceful rise is the only viable option that maintains U.S. interests, but all possible outcomes should be considered by policymakers, with a particular focus on ensuring the peaceful integration of China into both the regional Asian and international order. America must continue to help facilitate this integration. Washington should also strike a delicate balance between being either too hard or too soft in its overall approach to China. For example, pressuring China to engage in open dialogue with the Dalai Lama over the current repression of Tibetans would be a positive step for China, both in terms of gaining international credibility and liberalizing its domestic laws, and could be facilitated by American engagement. However, the United States must take care not to unduly avoid areas of friction with China, for instance, backing away from necessary defensive arms sales to Taipei for fear of causing undue tension with Beijing. Maintenance of strong bilateral diplomatic relations will prove critical in achieving this. The next president must seriously consider visiting China by the end of their first year in office to ensure that presidential-level relations are strong. He or she should also extend an invitation for President Hu Jintao to visit America in 2010. Good China policy will require a careful balancing of the sweet and sour in constructing a coherent overall strategy. So too, Washington will require China's good offices and diplomatic support in a broad and increasing array of global hotspots, including: denuclearization negotiations with North Korea, careful diplomacy designed to head off genocide in Darfur, potential behind the scenes steps to maintain stability in Pakistan, and perhaps bigger and more overt steps in convincing Tehran not to pursue a nuclear option.

- *An offer to increase information sharing on military modernization and planning with China and other powers in the region.*

China's military modernization program remains mired in controversy and strategic skepticism, and this large and growing Asian armed force contributes to regional tensions that if not appropriately managed could risk miscalculation, arms races, and a potential hot war. A more robust commitment to confidence building measures (CBM) could help manage many expectations from Tokyo to New Delhi about Beijing's intent. The next secretary of defense must make engaging the Chinese on military modernization and transparency an important component of America's Asia-Pacific strategy.

The most pressing issue requiring enhanced military dialogue concerns maritime security. Since the early 1980s, the People's Liberation Army Navy (PLA-N) has been transitioning from a primarily coastal defense force into a blue-water fleet that operates more often beyond Chinese territorial waters. As the PLA-N entered areas regularly patrolled by U.S. warships, the Department of Defense decided to pursue an accord, modeled after the 1972 U.S.-Soviet Incidents at Sea Agreement, designed to reduce the risks of an inadvertent maritime clash. Defense Department leaders believed they could sell the PLA on the utility of such a confidence building measure and that, at a minimum, a Sino-U.S. dialogue on these issues could help avoid accidents and miscalculations between two navies that previously had rarely operated in proximity. In today's context, the PLA-N and U.S. Pacific Command should continue high-level interaction, CBMs, and exchanges to ensure stronger relations between military leaders. Secretary Gates' establishment of a hotline between Beijing and Washington is another

such effort to be commended. These operational accords designed to establish the “rules of the road” hold the most promise for establishing a common framework for military practices between the U.S. and China in the years ahead.

- *Engaging in bilateral dialogue and cooperation on trade-related issues.*

The United States must remain ready to play hardball with China when necessary on matters such as consumer safety, the valuation of the Renminbi, and protection of intellectual property rights—all the while recognizing that in many ways, China

“True balancing of U.S. policy toward China rests on a delicate fulcrum between sustaining U.S. power while simultaneously facilitating and encouraging a responsible rise to prominence in Asia and the broader world.”

has in large part played fairly by the rules set forth by global financial institutions and the market. The next president must also expand upon existing Department of Treasury and Commerce dialogues between Beijing and Washington to ensure clarity on larger financial and economic trends

and challenges. America’s twin trade and budget deficits are not principally China’s fault, and are primarily caused by U.S. fiscal policy profligacy as well as (somewhat paradoxically) the continued appeal of American financial markets for investors around the world. Washington should not scapegoat the PRC or see its policies as primarily a result of predatory practices. Indeed, China is in most instances simply responding to the demands of American consumers. At the same time, America must be prepared to hold Beijing accountable for its policies while also improving its own. The only way to handle such complex policy topography is through constant attention, hard work, and frequent communication between U.S. political leaders and the American people. The avenues of dialogue on economic matters between the U.S. Treasury Department on the one hand and the State Department on the other provide a valuable vehicle for exchange that should be continued and expanded by the next administration.

- *Encouraging bilateral cooperation on climate change.*

An important and potentially defining area of cooperation between the United States and China is the increasing focus on climate change. As China’s economy grows and development of rural areas becomes more prevalent, carbon output and deforestation of underdeveloped areas will increase. Bilateral cooperation in the past has almost exclusively been negative, with U.S. and Chinese actors in recent years either denying the science of its explanatory power or blocking global efforts to reduce carbon loading. A positive new phase of strong Chinese and U.S. cooperation will be one of the most important pieces in managing the global climate change puzzle. Indeed, it should be considered the starting point.²⁰⁸

²⁰⁸ See, for example, Sharon Burke, et al., “A Strategy for American Power: Energy, Climate, and National Security,” (Washington, D.C.: Center for a New American Security, 2008).

As Richard Armitage has noted, “When future generations read the history of these times, the story may not focus on how we manage the Middle East or nuclear proliferation, rather, the story will be about how we dealt with the defining strategic challenge of our age, of the first half of this century, and that is the emergence of China in the context of a rapidly changing Asia.”²⁰⁹ Ideally, America should desire a China that is an active and responsible participant in the international system. Washington should begin to take the initial steps of drawing China into dominant institutions of the 21st century, such as the G8. China’s rise to a sustained great power status in the global arena is not preordained, nor is it necessary that the United States and China find themselves at loggerheads over Taiwan, increasing trade frictions, regional rivalry in Asia, or human rights matters. The United States and China are currently working together surprisingly well on a wide array of issues. However, so long as China’s intentions and growing capabilities remain unclear, the United States and other nations in the region will remain wary. These recommendations must occur in conjunction with a fundamental re-articulation of American strategic engagement in the region. True balancing of U.S. policy toward China rests on a delicate fulcrum between sustaining U.S. power while simultaneously facilitating and encouraging a responsible rise to prominence in Asia and the broader world. Trending too much to one or the other in policymaking risks undesirable costs, including the prospects for a wider conflict.

(5) COOPERATE ON CLIMATE CHANGE

Climate change will pose tremendous consequences for stability, security, and growth in the Asia-Pacific. From Shanghai to New Delhi, rapid industrialization and growth will continue to input significant carbon footprints on the global environment. Climate change is a relatively new issue area for national security strategists—but an undeniably valid one—and if not appropriately integrated into policy decisions risks tremendous consequences.

Washington should facilitate multilateral cooperation in Asia—in particular, with China, India, Japan, and Indonesia—on both managing consequences associated with, as well as cooperating on, climate change. Both seeking to limit emissions and encourage investment in green and carbon sequestration technologies should be foundations for America’s engagement on climate change in the region. Washington should commit to taking serious and sustained steps towards reducing climate change by supporting a broad range of current United Nations activities in the field, including working toward: an international carbon trade system; enhanced transfers of carbon sequestration technology—particularly, to India and China; instituting a focus on energy conservationism; and expanding investments in forestation efforts and work to help prevent deforestation in Southeast Asia.

The next president must make it a top priority to establish a multilateral head-of-state dialogue on energy security and climate change in Asia. American leadership on climate change in recent years has been an abject failure. Establishing a framework for coordination and collaboration will be an indispensable ingredient for ensuring the management of these complex challenges.

²⁰⁹Richard Armitage, “China the Emerging Power,” *Yomiuri Shimbun* (14 August 2005).

Moreover, in dealing with these challenges it will prove increasingly important for America to accept that there are other stakeholders in the world that are capable of managing challenges that are global in nature. Yes, America will continue to play a dominant role in the region, but its influence and prosperity will be best served by fuller cooperation with our Asian friends and allies. Balancing America's commitments in the Middle East with changing power dynamics in the Asia-Pacific will be difficult; however, failure to persuade America's Asian friends to balance industrialization with ecological responsibility will prove disastrous.

“The power of balance requires that America acknowledge that many of its friends and allies can play an important role in neutralizing crises far outside of their Asian backyards.”

(6) RADICAL ISLAM IN SOUTHEAST ASIA: WINNING HEARTS AND MINDS

The U.S. must begin to more fully recognize that a promising and equally important battlefield for the “hearts and minds” struggle within Islam today lies in Southeast Asia, not just in the Middle East. The United States must launch a major diplomatic engagement strategy in the region, starting with Indonesia, the world's most populous Islamic nation, to build a more sustainable bridge to modern Muslim communities in the region. We should build on the opening provided by the successful U.S.-led post-tsunami relief effort in that country, an episode that highlighted to the region the economic and military strengths of the United States in comparison with China, whose sparing assistance did not warrant membership in the core group of leading aid-donating, democratic countries that took charge of the relief effort. In the aftermath of their shared experience in this endeavor, the American and Indonesian governments agree that they have the potential to forge a long-term partnership.²¹⁰ In improving ties with Indonesia, the United States would simultaneously counter the twin challenges of spreading Chinese influence and Islamist extremism in Southeast Asia.

Moreover, American foreign policymakers must begin to appreciate that many of our Asian friends are starting to look outside the region and toward a more proactive role in the global commons. Indonesia and Malaysia are particularly concerned with achieving a peaceful resolution of the Arab-Israeli conflict, a conflict that not only imperils Middle East security but serves as a lightning rod for radical Islamists in their respective nations. The power of balance requires that America acknowledge that many of its friends and allies can play an important role in neutralizing crises far

²¹⁰Remarks by Secretary of Defense Robert Gates, “Speech to Indonesian Council on World Affairs,” (25 February 2008).

outside of their Asian backyards. These countries also take occasional issue with American policy and increasingly agitate for more proactive and benevolent approaches, particularly between Israel and the Palestinians. This is the inverse dimension of Washington's intent to encourage a more active out-of-area consciousness and support from Asian states beyond their immediate borders. Asian friends are indeed looking abroad, and they are both assisting the United States and asking for changes in U.S. policy. Increasingly, issues such as Guantanamo Bay and treatment of Muslim prisoners receive extensive attention in Southeast Asian news sites and commentaries. It is not an exaggeration to say that the biggest concern Southeast Asians have with the United States today is policy outside of Asia — particularly, in the Middle East — rather than the region itself.

U.S. foreign policy must strive to rebalance its energies between the Middle East and East Asia because a continuing preoccupation with the Middle East will have deleterious long-term ramifications for America's position in the region. The two challenges posed by radical Islamic extremism and the rise of China are very different. The violent struggle with Islamic extremism is now an inescapable feature of American foreign policy and homeland security efforts. In contrast, relations with China involve a complex mix of cooperation and competition and are not necessarily destined to either evolve into strong friendship or degenerate into open hostility. China is neither Bill Clinton's "strategic partner" nor George W. Bush's "strategic competitor" — or perhaps it is both.

(7) REEXAMINE MILITARY ENGAGEMENT

The United States must maintain its stabilizing military presence in Asia. Several changes resulting from the Pentagon's global posture review concern key U.S. allies in Asia. These sensitive shifts in the U.S. military presence in Asia should not be rushed or exaggerated in their scope or intent. Instead, these steps should be explained as evolutionary movements rather than radical departures from established policies. The United States must maintain a substantial and sustained forward deployed military presence in the region that is both reassuring to friends and a reminder to China that America will remain the ultimate guarantor of regional peace and stability. While the U.S. military often speaks of the transformational dimensions of American military power able to strike from over the horizon, Asians' mindsets are often decidedly conventional. Frequent training, ship visits and operation interactions are a welcome reminder of American presence despite the occasional hassles of local problems arising from sometimes intrusive American military visitors.

The U.S. military presence, essential for backstopping American allies, should be used more as a tool for proactive engagement. First, the U.S. 7th Fleet should continue to actively pursue more bilateral and multilateral activities and exercises, including with China, in pursuit of common security objectives such as countering terrorism, piracy, and WMD proliferation. The Proliferation Security Initiative (PSI) pioneered by the Bush administration is one example of creative cooperation that can be inclusive and have actual operational value. Joint peacekeeping operations involving China, Japan, South Korea, and other countries could provide opportunities for expanded security dialogue among the participants. Enhancing existing military-to-military cooperation is particularly important given the prospects for an increasingly

crowded Pacific Ocean. Confidence building measures and clear lines of communication, including hotlines between military commands, will be important to protect against miscalculation or overreaction in the theater.

With its allies and close friends, the United States should continue to undertake major investments to improve interoperability, including liberalized sharing of key communications technologies, improved intelligence sharing, and standardized operational protocols. This will be increasingly useful for traditional and non-traditional contingencies. In the realm of humanitarian relief operations, similar steps should be taken with a much wider array of countries. As evinced by the 2004 tsunami, the 2008 cyclone that devastated Burma, and the Sichuan earthquake, humanitarian cooperation is growing ever more important in Asia and can both save lives and provide positive interactions that build true comity between nations. These relief operations also help build an enduring foundation of public support in the region.

Beyond exercises and interoperability, the United States should substantially ramp up its efforts to build effective security infrastructures across the region. This can be done through train-and-equip programs for partner military and security forces, the building of joint maritime security infrastructure, and increased joint training and education at U.S. facilities for partner countries in Asia. The amount of innovation and increased investment possible in this regard, with low costs and high payoff, can hardly be overstated. Stretched by wars in Iraq and Afghanistan and facing few security challenges in the region that can be met alone, the United States should redouble its efforts to work by, with, and through partners.

(8) BROADEN THE AGENDA

The obvious broadening of the agenda to include climate and other non-traditional concerns beyond terrorism and great-power rivalry is discussed extensively in this section. But America may find that its greatest impact will come from the most unglamorous tools of technical assistance in the areas that can make the difference to nations on the cusp of prosperity. From issues of food affordability and scarcity and the possible depletion of fish stocks to disaster risk management to judicial reform, American proficiency is a powerful asset. While China's rapid and open response to the Sichuan earthquake has garnered tremendous respect, it did highlight a lack of modern capabilities for complex rescue operations. America can offer countries in Asia training and education to improve such capabilities. As countries like Malaysia, the Philippines, and Indonesia democratize, America can also provide expertise in elections and the rule of law. India could benefit from cooperation on anti-corruption practices, and despite domestic controversies, the United States has much to share with that nation in terms of stewardship of natural resources, including air and water.

Health is more than preparation for pandemics, and countering extremism requires a focus on primary and secondary education. Emergency response should be complemented by early warning and civic preparedness. As America invests in helping Asia and advancing its interests, it is worth asking whether its approach is actually balanced. American leaders should look across the stovepipes of their interactions with the world to evaluate the overall portfolio. Is counterterrorism training in a given country balanced with a focus on education assistance? Is military assistance balanced with development assistance? Are efforts to support privatization complemented by technical assistance to improve regulatory and enforcement capabilities of a host nation?

Nations across Asia are eager for support in many areas in which China has little or nothing to offer: elections, banking and insurance-sector reform, and the rule of law. America's philosophy toward Asia should include helping nations to be capable and helping people guide their own destinies. Focusing only on security and major diplomatic issues will fall far short of this mark. Although American competence has been called into question by failures from Iraq to Katrina, a broad appreciation for the technical skills of U.S. professionals, from soldiers to doctors to investment bankers, has not been eroded by the failures of American political leadership. American leadership is viewed as critical to everything from effective disaster relief operations to the maintenance of peace and stability across the Taiwan Strait. By investing in the professional competence of other nations—through technical assistance to government and industry, support of education and health programs, and leadership in regional and global forums to address shared challenges like environmental degradation, America will rapidly reclaim its mantle as an indispensable nation in Asia.

Cooperation, confidence and communication, not competition, should guide America's strategic thinking and engagement with the Asia-Pacific. The American ethos remains an invaluable commodity in the region. Starting in 2009, America should again live up to these expectations.

(9) EMBRACE AN ASIA THAT IS THINKING GLOBALLY

America needs to be attentive to the fact that there is a dawning strategic awareness among Asians that transcends a long standing and strictly American logic about what's good and what's bad for the region. By balancing nationalism with multilateralism, free market entrepreneurship with state-centric economic planning, and quiet defense preparations with new avenues of diplomacy, Asian strategists are helping to define new models for how Asia should think and act in the world today. Most of these concepts are about increasing regional and even global integration while attempting to preserve fairly traditional notions of national sovereignty. How the United States reconciles its own views about global engagement and the role of values in its foreign policy with the robust debates in Asia will be a critical component in the overall effectiveness of America's approach to this dynamic region.

American policymakers should seek to facilitate greater interaction with this burgeoning Asian strategic community. Asian perspectives offer rich and textured assessments of regional dynamics as well as informative views on American policy, including its obvious strengths and potential shortcomings. More and more, discussions at the margins of conferences and meetings in Asia reveal concerns about why and how America has become less engaged. The centrality of China and its assertive presence in these discussions hint at a future strategic environment which many Asian strategists fear may compel them to take a more assertive and potentially confrontational stance towards Beijing. American presence—or lack thereof—in these debates will shape the future dynamics of integration and investment in regional peace and stability. American strategists should neither ignore Asian concerns nor predicate their involvement upon them. Instead, America must leverage the strategic wisdom emerging in Asia to

conceptualize a broader agenda that appeals to and can be sustained on both sides of the Pacific.

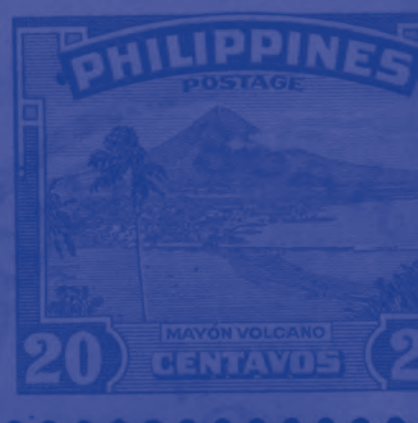
Asian and American strategists must search for an appropriate middle ground between antagonistic and accommodating approaches to China. Asian and American strategists can also achieve a balance in strategic perspectives that will more effectively address non-traditional challenges ranging from climate change to terrorism. As India looks east, as Japan reconsiders its strategic role in the region and the world, and as the nations of Southeast Asia grow and choose their strategic paths, America must engage with them to help reconcile and shape their increasing integration. The creative potential of strategic partnerships between U.S. and Asian strategists can shape a more cooperative future.

“Bipartisanship very well may be the ultimate display of the power of balance and holds the key for the future of American policy toward iAsia.”

(10) BE BIPARTISAN

There is a profound absence of bipartisan consensus on how to engage Asia, and in particular China. Debates in Congress have been rather monochromatic and colored largely by trade concerns (tainted dog food from China) and worst-case scenarios about China’s ascent (invasion of Taiwan). The next president should make it a high priority to ensure that one of the top three U.S. foreign-policy officials is first and foremost a respected bipartisan “Asia hand” capable of bridging schisms between Republicans and Democrats. Since the Nixon administration, secretaries of state have focused on Europe, Russia, and the Middle East, as have national security advisors. China’s rise is the dominant feature of the international system today, and the next president needs someone at his or her side who understands the implications of that rise in all their richness and complexity, and is simultaneously respected for his or her bipartisan credibility. Failure to achieve a bipartisan consensus on Asia policy will continue to set back American engagement in the region.

A degree of bipartisanship was a recurring feature of much of the Cold War era in American domestic politics, and bitter divisions often stopped “at the water’s edge,” in Senator Vandenberg’s immortal words. Bipartisanship has been conspicuously absent in current foreign policy debates and this internal divisiveness arguably hampers our effectiveness in the formulation and execution of American foreign policy. Given the magnitude of what lies ahead, a concerted effort to rediscover some common ground in American domestic politics (at least when it comes to foreign policy) may indeed be one of the most important ingredients for a successful balancing act between these two huge challenges facing the country in the coming decades. Bipartisanship very well may be the ultimate display of the power of balance and holds the key for the future of American policy toward iAsia.



This is, indeed, the first time in the nation's history that foreign policymakers have had to cope with two vexing and dissimilar challenges—the rise of China and violent Islamist extremism—simultaneously. While it is true that during World War II the United States fought on two fronts in the Atlantic and Pacific against two very different foes—Nazi Germany and Imperial Japan—the military power employed to defeat the Axis was largely fungible and the tactics employed on each front were similar, adjusting for the inevitable variations of geography, climate, and terrain. Then, during the Cold War—the undeniable shaping experience of the last generation of foreign policy and national security practitioners—the United States faced one overarching and organizing foreign policy challenge coming from the Soviet Union. A singularity of purpose in the formulation and execution of American foreign policy has been the overriding experience for most of our history, allowing for a greater unity of effort and a lack of competing demands. This era is over, as the United States confronts two extremely varied sets of demands, one driven by stateless jihadist warriors and the other by a rising commercial, political, and military giant in the East. Beyond these state and non-state threats, challenges common to humanity and caused by human activity like climate change and environmental degradation increasingly endanger America's national security.

Balance is critical when faced with such varied strategic challenges but has been largely absent from American foreign policy. The right balance must be struck both in allocating attention and managing risk across problems as well as in America's approach within any given challenge area. Strategic myopia at either level imperils America's prospects. This is relevant to the emerging challenges of iAsia and to other strategic issues. For example, America attacked the problem of violent jihadism primarily through the application of military power in Afghanistan and Iraq (the

latter now inextricably linked to the terror matrix, largely as a consequence of American actions). This overly militaristic approach within one challenge area reduced the effectiveness of America's non-military tools for countering jihadism, from strategic communications to development

“iAsia is emerging, and to balance the varied challenges and opportunities, the United States must invest time, energy, and economic, political, and military resources. To maximize its diversification, the United States must resist the temptation to balance nations in the region against one another and instead balance amongst the various interests and perspectives.”

to stabilization and reconstruction. At the macro level, looking across challenge areas, the hyper focus on violent jihadism under the “Global War on Terror” has left America inattentive to other strategic developments, including those in Asia. The repercussions of America's myopic focus on

the macro challenge of jihadism and its overly military approach to that challenge have had impacts far beyond keeping U.S. forces bogged down in the urban battlegrounds of Islamic states. American decisions have alienated Muslims throughout the world and left America devoid of strategic clarity in facing its most direct challenge. Once inwardly-focused nations like Indonesia and Malaysia are beginning to articulate policies with a global perspective, and see American operations in the Middle East as having strengthened radical Islam in their own backyards.

While the United States has been preoccupied, turning presidential and cabinet-level attention away from the rapidly changing strategic landscape of Asia, China has made great strides in its military modernization, commercial expansion, and diplomatic initiatives; India is “looking East” and emerging as a powerful potential partner; Russia is exhibiting assertive qualities in the Asia-Pacific not seen since the Cold War; old allies are developing more independent military capabilities; and new democracies in Malaysia and Indonesia and even little Bhutan are balancing domestic politics with international activism. *iAsia* is emerging, and to balance the varied challenges and opportunities, the United States must invest time, energy, and economic, political, and military resources. To maximize its diversification, the United States must resist the temptation to balance nations in the region against one another and instead balance amongst the various interests and perspectives. The United States should clearly articulate its strategic intention to remain committed to stability and prosperity in Asia and to balance demands on U.S. attention and energy.

A strict balance of power approach to this new Asian landscape will fail. *iAsia* offers an appropriate model for understanding how traditional borders are slowly eroding as nations seek a more interactive and integrated future. *iAsia* cannot be managed by attempting to out-manuever

adversaries with opposing coalitions. All potential coalition members will be on different sides of different issues and will simultaneously pursue their own interests, not just American ones. The challenges that the Asia-Pacific poses require the formation and nurturing of a new strategic culture and perspective that is far more interactive and in tune with the dynamism of the region. Further complicating matters, issues that would previously have been viewed as purely developmental, environmental, or social—from the rule of law in poor countries to climate change—now have clear national security implications. Moreover, many of these nations, once insular in their strategic outlook, have matured and have begun to notice how war in the Middle East directly affects their internal security. Traditional conceptions of power and influence have lost much of their explanatory power in the *iAsia* environment because they fail to account for the multidimensional nature of transnational and non-traditional security challenges. A power of balance strategy will prove most useful in managing complex security challenges in the near future by accounting for the disaggregation of actors, influence, and power.

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