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Keeping the United States Engaged in Asia

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The changing balance of power in East Asia—from Cold War bipolarity to post-Cold War unipolarity to a new power configuration tilting toward multipolarity—has prompted debate on the future of US engagement in Asia. The wars in Afghanistan and Iraq and the global financial crisis have called into question the limitations of US power. Furthermore, the rise of China has hastened a relative decline in US power in East Asia, allowing China to grow in confidence and accelerating perceptions of China as a great power in the region. This has triggered anxiety among some US allies and friends and requires careful management to preserve the stability of the region.

The Relative Decline of US Power in East Asia

The growth gap

China has achieved phenomenal and rapid economic growth since coming out of isolation and engaging with the world economy, and it continues to grow. In contrast, the economic situation in the United States and the other advanced industrialized economies has taken a hit from the global financial crisis. The United States is still suffering from weak economic growth rates and unemployment and faces many challenges in its path to recovery.

In terms of per capita income, China still has a long way to go to achieve the sort of wealth enjoyed by the United States or Japan. The undervalued exchange rate; widening income disparity between developed coastal and underdeveloped rural regions; and agricultural, energy, and environmental problems all pose serious challenges that require serious policy consideration.

Nevertheless, China has emerged from the financial crisis in a stronger position while most of the countries of the West find themselves weakened. China has started to outline a response to global imbalances, engineering a massive stimulus package to foster the expansion of domestic demand. To some extent, the Chinese economy is now beginning to shift from export-led to domestic expansion-led economic growth. Further, China has managed to maintain impressive economic growth over the past two years. Last month, GDP data confirmed what economic analysts have long and widely been predicting, that China has overtaken Japan as the world's second largest economy.

As a result of the damage the financial crisis has inflicted upon the developed economies and the manner in which China has been able to sustain its economic growth despite the crisis, a growth gap has emerged between China on the one hand and the United States,

Japan, and most other developed economies on the other. Economic forecasts predict that this growth gap is likely only to widen in the future.

Intraregional trade

Another significant indicator of the relative decline in US power is the relative decline of the importance of the United States as a trading partner for East Asia. For instance, the United States had long been Japan's number one trading partner; however, this title has clearly shifted to China. For other nations in East Asia as well, such as South Korea and the members of ASEAN, China has become the largest trading partner. This is not to argue that the United States is not still a highly important trading partner for East Asia. However, given the increase in East Asian intraregional trade, the United States has lost ground in relative terms.

Rising anxiety and regional security

From a security viewpoint, the United States maintains an overwhelming military force that is second to none in terms of size and capability. However, with its rapid economic growth, China has been able to steadily increase its own military capabilities. The People's Liberation Army, once considered a primarily land-based military, has steadily expanded its naval capabilities. More recently, with growing confidence, China has defined the South China Sea as a "core national interest" and has undertaken more visible activities in the South and East China Seas. The recent Senkaku Islands incident between Japan and China demonstrates once again China's rigid manner of conduct, imposing a wide range of swift unilateral measures without attempting adequate communication with Japan. This issue, and Japan-China relations more broadly, requires careful analysis and will be examined in the next issue of *East Asia Insights*.

Meanwhile, the United States has indeed been forced to re-examine its global military strategy amidst doubts that it can continue overstressing its military commitments around the globe, simultaneously fighting multiple wars. With tensions rising in the Greater Middle East, especially regarding allegations of nuclear weapons production in Iran, analysts predict that the

United States will not be able to commit sufficient capabilities to other areas.

At the same time, there has been a decline of the United States as a role model. The lack of justification for the war in Iraq—based on inaccurate intelligence—and US torture of prisoners at Guantanamo Bay and Abu Ghraib undermine the legitimacy of US claims to moral authority. President Obama has emphasized multilateral diplomacy, seeking to rebuild US legitimacy damaged by overzealous unilateralism. But, as a result of this shift, we can no longer expect any new determined military interventions on the part of the United States, irrespective of their legitimacy. While many in the international community welcome a less militaristic, less unilateral United States, this change means that US partners must now take on a greater share of the security burden. Without active regional cooperation between the United States and its allies, there is a danger that the limits of regional security will be tested. For instance, North Korea may calculate that the US shift away from unilateralism toward multilateral diplomacy will reduce the likelihood of military action, giving it new confidence in negotiations.

US-Japan alliance

With regards to the US-Japan alliance, timely US statements that the Senkaku Islands are covered under the scope of the US-Japan treaty were helpful in demonstrating the strength of the alliance. Nevertheless, it is important not to underestimate the current stagnation resulting from the Futenma base debacle. The US-Japan alliance has been a cornerstone of US strategy in East Asia. Not only has Japan benefited enormously from the US security guarantee, it has also been a reliable provider of military bases to the United States, and this stability has benefited the US forward deployment strategy as well. However, the diplomatic mess surrounding Futenma has shaken the alliance. This is to a considerable extent due to the change of government in Japan, its new foreign policy orientation, and former Prime Minister Yukio Hatoyama's mishandling of the issue.

Irrespective of where blame lies, the United States must still suffer the consequences. Already, there have been growing perceptions among US allies and friends

around the region, such as ASEAN countries, Australia, and South Korea, that the weakening of the US-Japan alliance may have significant ramifications for security in East Asia. It remains to be seen if this situation will improve now that Kan is more secure in his position as prime minister.

Reactions from around Asia

In South Korea, there has been a remarkable shift since the Lee Myung-bak administration took office. It has clearly moved to strengthen the US-ROK alliance and earned a reputation as a trustworthy ally. The United States has responded positively to these overtures. For instance, with the rising tensions on the peninsula surrounding the sinking of the Cheonan, the Obama administration has fully backed the South and sent US troops to conduct joint military exercises.

The decision by ASEAN to invite the United States and Russia to join the East Asia Summit (EAS) should be seen as a policy move to balance against China's expanding strength by reinforcing the US presence in the region. Vietnam, while careful about managing its relations with China, has also consciously moved closer to the United States, seeking to strengthen and expand ties and find a balance between these two powers. India too, wary of China's rising military power, has sought to strengthen its strategic relationship with the United States. The two countries agreed to the US-India Civil Nuclear Deal, representing a positive step forward in relations.

These sporadic moves indicate an uneasiness in the region regarding China's military rise and the changing balance of power and they reflect a degree of support for ensuring a continued US presence in some form. However, given the current trajectory, there is still a long way for the United States to go to preserve its strength in East Asia.

Keeping the United States Engaged

Given this changing balance of power, people in the region need to see that the United States has a clear vision for its role in East Asia. The relative decline in US power and its inability to continue to fight simultaneous wars, repeated statements declaring the importance of the United States' commitments in the Middle

East, and multiple cancelled US presidential trips all paint a picture of an unclear US political agenda vis-à-vis East Asia at a time when clarity is needed. As a global leader, the United States has an important role to play in East Asia. This does not mean going back to a Bush administration-style unilateral foreign policy. Rather, the United States must establish a clear vision for how it will engage in an East Asia that includes a more militarily confident and capable China.

Managing relations with China

The central question for all partners in the region is how to deal with China. Dealing with China will require a new strategic orientation, and countries in Asia cannot fall back on Cold War-era policies. China is not the Soviet Union and containment is not a feasible option. Any country seeking to foster a prosperous and peaceful region must realize that interdependence with China is inevitable. Cultivating such interdependence requires bringing China into the fold of the international system as a responsible stakeholder in such a manner that it will follow international norms of openness. Given the vast political differences between China and the United States and its democratic allies, this is bound to be a complicated process requiring new rules to dictate predictable terms of engagement.

Concurrently, effective deterrence against China's potential to destabilize the region needs to be preserved, but the United States can no longer credibly maintain such deterrence alone. Strategic relations between the United States and its partners in the region, such as Japan, Korea, Australia, India, Indonesia, and Vietnam, need to be strengthened in a manner that guards against unpredictability but also in a way that is not perceived by China as containing or threatening.

New Asian security architecture

To this end, the creation of a new security architecture is crucial. This security architecture should include four layers: The first layer, which serves as the foundation, involves bilateral alliances such as the US-Japan, US-ROK, and US-Australia alliances. The second layer includes trilateral forums, initially focused on confidence-building measures, such as the various arrangements among the United States, Japan, South

Korea, and China. The third layer consists of subregional arrangements, most prominently ASEAN and a potential successor to the Six-Party Talks in Northeast Asia. Finally, the fourth layer should include an inclusive regionwide institution with participation from at least all of the EAS nations, including new invitees the United States and Russia. It should have a broad-reaching mandate to effectively deal with a range of nontraditional security challenges, such as disaster relief, terrorism, and the proliferation of weapons of mass destruction.

Shoring up the US-Japan alliance

Before countries active in the region can start to build this security architecture, the current stagnation of the US-Japan alliance needs to be addressed urgently. Taking a step back from the difficulties surrounding the relocation of Marine Air Base Futenma, a new approach is needed in considering the alliance from a broader perspective. Given local opposition in Okinawa to the relocation plan, the hasty and forcible implementation of the May agreement goes against sustainable alliance relations and will not result in a satisfactory outcome for the United States, Japan, or the local residents of Okinawa.

There needs to be a more comprehensive consideration of how the alliance should function given the changing realities of the region. Domestically, the Japanese government needs to rebuild the foundations of its security policy and reconsider a number of policy issues. For instance, questions of collective self-defense under Article 9, Japan's nuclear policy, and the defense structure need to be addressed and may require new laws. There is also a need for public participation in this debate so as to foster a greater understanding among ordinary citizens about the current security circumstances and future prospects of East Asia. Without broad understanding, it will be difficult to gain popular support for necessary changes.

The report of the Council on Security and Defense Capabilities in the New Era, released in August, makes recommendations for the new National Defense Program Outline (NDPO). The Kan government has indicated that it will use the report's recommendations as a point of reference, finalizing the NDPO by the end of the year. Given the recent change of government and the recent leadership challenge that almost toppled the prime minister, however, it would be wise to delay this process. President Obama's trip to Japan in November would make a convenient kickoff point for a broader consultation between Japan and the United States, which could involve the launch of a joint task force or wisemen's group on East Asian security and the role of the US-Japan alliance. Consultations between Japan and the United States and Japan's own defense policy review need to take place simultaneously, and both countries need make sure that tensions over Futenma are addressed in the broader security discussion.



Despite the changing economic and security environment in East Asia, the United States and Japan have an important role to play together to ensure that the region adapts in a peaceful and prosperous manner. Some countries in the region have already begun to adjust their relationships with the United States, but we need to step back and look at those relationships in the broader regional context. A new approach to relations in the region, including the establishment of a four-layered security architecture, is needed, but this first requires that the United States and Japan redefine their visions for the region and ensure that their own bilateral alliance is robust and dynamic and reflects the state of the world today.

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