

Analysis No. 187, July 2013

US: WHICH GRAND STRATEGY FOR ASIA AND CHINA?

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This essay discusses the new US grand strategy towards the Asia Pacific, epitomized by the slogan "Asia pivot". It does so by describing the main drivers behind the renewed geopolitical centrality of Asia for the United States, the objectives of the Obama administration in the region and the tools deployed by Washington as a consequence of this new approach. The conclusions briefly examine the limits, dilemmas and contradictions of the "Asia pivot" and of the US attempt to re-balance towards the Far East.

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In the past two years, the Obama administration has not missed any opportunities to emphasize its intention to redirect the geopolitical priorities of the country and to expand its commitment in East Asia. Various formulas have been used to describe this change of focus and the ensuing "rebalancing" toward the Pacific, the most popular (and abused) being that of the new "pivot to Asia".

Less Atlantic, More Pacific: the reshaping of US geopolitical priorities

The shift is probably less radical, and more cosmetic, than has been described. In many ways, Obama is following in the footsteps of his predecessors. The end of the Cold War implied the end of what has been a temporary, and somehow artificial, Atlantic-centric parenthesis in the foreign policy and grand strategy of the United States. At least since the 1970s, objective dynamics acted as a magnet in re-drawing the United States towards Asia: in making it less Atlantic and more Pacific. Trade, of course, immediately comes to mind. The total volume of trade between the US and China has risen from \$5 billion in 1981 to \$535 billion in 2012, and is still expanding. US exports to (and investments in) China have grown accordingly, always outpaced however by China's exports to the United States, which have produced a huge imbalance in the bilateral balance of trade: in 2012, the US commercial deficit with Beijing was \$315 billion. While less spectacular, even the relationship between the US and Japan is marked by deep asymmetries and disequilibria (and has been so in the past three decades): since 1985, Washington has always had a negative balance vis-à-vis Japan, that has oscillated between \$30 and 80 billion. Similar data characterize the relationship between the United States, South Korea and other former "Asian Tigers"¹. Domestic demographics add another variable to the equation making the US less Atlantic and more Pacific. The constant growth, absolute and relative, of the West and Southwest of the United States has itself contributed to the reshaping of US geopolitical priorities. In a country as large and diverse as the United States, domestic regional changes have inevitable impacts on foreign policy interests and priorities. The data from the last census are paradigmatic. Between 2000 and 2010, the population of the United States has increased by 9.7%, from 281 million to 308 million. In the Northeast and the Midwest, however, the increase has been just 3.2% and 3.9%, while in the South and the West it has been 14.3% and 13.8% respectively².

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¹ Data from United States Census Bureau, "Foreign Trade", <http://www.census.gov/foreign-trade/balance> (last accessed 1 July 2013).

² United States Census 2010, <http://www.census.gov/2010census/> (last accessed 1 July 2013).

Finally, according to all predictions and estimates it is indeed in Asia that the United States' new competitor is currently emerging: the mighty Chinese giant, that through its fast-forward/export-driven economic boom has, in a few decades, become a superpower that Washington and the rest of the world have to reckon with. No-one would have predicted this thirty years ago, when many in the United States were concerned more with the alleged rise of Japan and the decline of America. Now, however, China is in all regards a global, although still "partial", power, and indeed a regional "superpower": an actor capable of altering power balances and equilibria, and one that therefore needs to be accommodated in what is still a US-led and shaped international order³.

There is a certain irony in all of this. This Asian shift of America's geopolitical priorities, and the rise of China itself, are strictly connected to the modalities through which the United States has re-thought and re-launched its hegemony after its crisis and apparent demise in the 1970s. Ever-expanding domestic consumption; de-industrialization (and concurrent delocalization and outsourcing of production); capacity to attract foreign capital: these were all crucial factors in the transformation of the nature of the American empire from an "empire of production" (and current account surpluses) into an "empire of consumption" (and structural current account deficits)⁴. To put it very simply, this increasingly indebted "empire of consumption" needed (and needs) cheap Asian goods and capital, in the form of purchases of US private and public securities and bonds, just as Asia needed (and needs) insatiable and fiscally irresponsible American consumers. The contradiction and the irony here are quite striking: the United States has been able, primarily through the centrality of its market, to re-assert its primacy and dominance by making itself more dependent and therefore vulnerable; by enmeshing itself in a web of interconnections and multiple forms of interdependence that ultimately limits Washington's sovereignty and freedom of action⁵.

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³ The literature on China's rise is immense and rapidly growing. For a solid historical introduction see O.A. WESTAD, *Restless Empire: China and the World Since 1750*, New York, Basic Books, 2012. See also D. SHAMBAUGH, *China Goes Global: The Partial Power*, Oxford, Oxford University Press, 2013.

⁴ C. MAIER, *Among Empires. American Ascendancy and its Predecessors*, Cambridge, MA, Harvard University Press, 2007

⁵ The author attempted to deal with this paradox in M. DEL PERO, *Libertà e Impero. Gli Stati Uniti e il Mondo, 1776-2011* [Empire and Liberty. The United States and the World, 1776-2011], Rome-Bari, Laterza, 2012, 2nd ed.

The main objectives of Obama's "Asia Pivot"

Economic interdependence (which means financial dependence) and strategic fears, provoked by the rise of China, therefore converge in catalyzing this "Asiatization" of the United States security policy. And they oblige Washington to rethink/re-define its priorities, imagining a new grand strategy for the Asia Pacific. But what are the main elements of this strategy? What are its objectives and its dilemmas and contradictions? In other words, what does the fact that the United States is pivoting to Asia and "re-balancing" its strategic focus and commitment from Europe and the Middle East to the Asia Pacific mean?

The main objectives of Obama's "Asia Pivot" can be summarized in six points. The first is the re-assertion of America's interest in preserving the stability of the region and preventing it from being damaged by the recrudescence of inter-state, and largely emotional, antagonisms, such as the recent one between Japan and China over some irrelevant islands in the East China Sea. Strictly connected to this is the second objective, namely to preserve and guarantee access to the fundamental commons of the region, particularly sea lanes. This access to commons shapes the broad definition that US strategists now offer for the Asia Pacific: a region also encompassing the Indian ocean and many coastal areas of South Asia (and understandably so, given that according to a recent study by the Congressional Research Service, "an estimated 50% of world container traffic and 70% of ship-borne oil ... the vast majority on its way to East Asia" transit in the Indian Ocean)⁶. The third goal is to further expand both bilateral trade between the United States and East Asian states and regional trade among such states. Once again, the Obama administration has not differed from the Bush administration on this, and has pursued a strategy that has led to a free trade agreement with South Korea and the inclusion of the United States in the so-called Trans-Pacific Partnership (TPP); an attempt to expand a free-trade area in the Pacific that should in time expand from the original nine negotiating states (Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam, and the United States) to all economies of the Asia-Pacific region. The fourth goal, rarely stated explicitly but always present, is of course to contain the rise of China or at least dictate the terms of its admission and full integration within those regional and international regimes where the US is still the dominant actor. On this – the relationship, and potential

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⁶ Congressional Research Service, *Pivot to the Pacific? The Obama Administration's "Re-balancing" Toward Asia*, March 28, 2012, <http://www.fas.org/sgp/crs/natsec/R42448.pdf> (last accessed 3 July 2013). The central role of the United States in providing global goods, including access to the commons, for the international community is emphasized by G.J. IKENBERRY, *Liberal Leviathan. The Origins, Crisis and Transformation of the American World Order*, Princeton, NJ, Princeton University Press, 2011.

competition, between the United States and China – a lot has been (and is being) written and library bookshelves are now filled with books arguing basically everything and its opposite⁷. This leads us to the fifth goal of Obama's "Asia Pivot": by acting as the benign, and indeed indispensable, hegemon, the US aims to acquire the leverage necessary to influence regional actors and their choices. Once again, the crucial concern is with China and the need to correct some of the unsustainable imbalances in the US-Chinese relationship, particularly on current accounts. A more influential and involved United States should, for instance, be able to exert greater pressure on Beijing and convince it to finally, and consistently, reevaluate the renminbi (despite the huge trade deficit, this revaluation has been just 5-6% in the past two years)⁸. Sixth and last: US domestic politics and its impact on foreign policy choices and discourse. The "Asia Pivot", and the narrative accompanying it, are also meant to satisfy domestic pressures and justify to the American public opinion the persistence of Washington's global commitments (and the ensuing costs) in the light of the US disengagement from the Middle East and Europe. Stressing the importance of Asia and the necessity to step up the presence and involvement of the United States in the area is a way to reaffirm the validity of a liberal and internationalist approach challenged by a reluctant and increasingly skeptical domestic public, that requests instead that America's global engagements be reduced.

The three primary realms of the American greater activism in the region

If these are the main objectives of America's re-balancing towards Asia, what tools are available to the new grand strategy of the Obama administration? As many commentators have pointed out, and as is often the case with these grand strategy narratives, the "Asia pivot" discourse has been strong on generalities and rhetoric but much less so on policies and substance. The relevant dilemmas the United States is facing, both abroad and at home, pose limits which will be returned to in the last part of this essay. So far, however, there are three primary realms where America's greater activism in the region has been visible. The first one is military. The strategic centrality of Asia has been communicated through

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⁷ A good discussion of the different approaches and interpretations is in A. FRIEDBERG, *The Future of U.S.-China Relations. Is Conflict Inevitable*, «International Security», no. 2, Fall 2005, pp.7-45. For a more recent debate see M. BECKLEY, *China's Century? Why America's Edge Will Endure*, «International Security», no. 3, Winter 2011/12, pp. 41-78 and J.R. ITZKOWITZ SHIFRINSON, M. BECKLEY, *Debating China's Rise and U.S. Decline*, «International Security», no. 3, Winter 2012/13, pp. 172-181.

⁸ <http://www.exchangerates.org.uk/USD-CNY-exchange-rate-history.html> (last accessed 3 July 2013).

the re-deployment of troops from other theaters, particularly the Middle East. Again, the symbolism is possibly more important than the substance. In a time of budgetary pressures and relevant cuts to defense spending, the broadcasted priority the Pentagon has assigned to the Far East appears noteworthy. "Reductions in US defense spending" - Obama emphatically proclaimed during his November 2011 address to the Australian Parliament – “will not, I repeat, will not come at the expense of the Asia Pacific”⁹. This expanded military commitment led to the decision to minimize cuts to the Navy (which plays a more important role in Asia than either the Army or the Air Force), devise plans to expand the Guam base and step up the American presence in Australia, with the deployment of a contingent of marines to the Australian military facility of Darwin (through successive rotations and expansions, the final number of US marines in Darwin should rise to approximately 2500). Several other decisions have been taken or are under discussion: plans to station four US combat ships in Singapore; intensification of the military collaboration between the United States and the Philippines, including deployment of US Marines in the archipelago; expansion of the Australian Navy's primary base in Perth to accommodate visits by American submarines and aircraft carriers¹⁰. Again, the symbolic dimension of these initiatives cannot be overlooked: the agreement with Australia over the Darwin base, the *New York Times* proclaimed, "amounts to the first long-term expansion of the American military's presence in the Pacific since the end of the Vietnam War"¹¹.

The second tool is the above-mentioned involvement of the United States in fora and negotiations where a further liberalization of trade is discussed. The Obama administration has engaged in various rounds of negotiations aimed at developing and expanding the TPP, which seems to have become a top priority and a crucial component of the Asia pivot (in the process, largely promoted through secret channels, Obama has provoked the anger of various important democratic lobbies – trade unions, environmental groups, public health advocates – and members of Congress).

Finally, these multilateral negotiations, although far from being open and transparent, highlight the diplomatic dimension of the US re-balancing towards Asia. Regional organizations have been used to re-affirm the role of the United States as the indispensable mediator in Asian disputes and

⁹ "Remarks by President Obama to the Australian Parliament", 17 November 2011 <http://www.whitehouse.gov/the-press-office/2011/11/17/remarks-president-obama-australian-parliament> (last accessed 1 July 2013).

¹⁰ E. RATNER, *Rebalancing to Asia with an Insecure China*, «The Washington Quarterly», Spring 2013, pp.21-38.

¹¹ J. CALMES, *A U.S. Marine Base for Australia Irritates China*, «The New York Times», 16 November 2011.

tensions, as well as the only possible provider of stability, security and access to global commons.

To conclude, let us focus briefly on the inner limits and contradictions of the Asia pivot, given how these policy and strategic shifts have been defined and implemented so far.

Conclusions

As with all aspects of the current US approach to the Far East and with the US-Chinese relationship overall, there is an intrinsic and somehow inescapable tension between security concerns and economic realities. This tension applies to the United States but also to most other countries in the region. The intense and deeper economic interdependence between them and China – in terms of trade, investment and financial exchanges – is undeniable. China, to offer a banal example, is the main trade partner of both Australia (and the primary market for Australia's exports) and Japan, the two other powerhouses in the region. Nevertheless, this interdependence somehow clashes with the fears nourished by this rise of China and the propensity of many actors to resort to quasi Cold War logics, bandwagoning with the US and asking for America's protection. As the author has endeavored to highlight, the United States has attempted, understandably, to exploit this sort of "invitation", act as the regional security provider, and contain China's alleged hegemonic ambitions in the region. But can the United States still play this role, as it did it during the Cold War when its commitment in Asia was justified by its strategy of global containment of the Soviet Union?

There are reasons to be skeptical. America's means are not unlimited, following the strategic follies of the Bush years and the post-2007 recession. Furthermore, the American public seems to be wary of new international commitments; as we have seen during the last electoral campaign and particularly during the Republican primaries, it is somehow easier to mobilize the American public in support of an interventionist and active policy in Asia by resorting to a nationalist and anti-Chinese discourse that tends, however, only to compound problems and exacerbate tensions. This hiatus between what the United States wants to do in the Asia Pacific and what it can effectively do is probably the main driver of the inconsistencies of Obama's Asia Pivot: of the gap between rhetoric and actions, statements and policies.

This is also the case because the security provider keeps invoking for itself privileges and exemptions that seem to belong to a different era and clash with the evolving power realities in the region. Guaranteeing access to commons implies imposing (and accepting) America's dominance over them, while US military protection is frequently used to justify the reassertion of US military preponderance. Furthermore, in the Far East

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as elsewhere, the United States often projects its power unilaterally and discretionarily, since the region lacks most of those forms of institutionalization collaboration that mark the Transatlantic space. In Asia, over time the United States has not built a network of institutions and alliances comparable to that erected in Europe. Those alliances have historically constrained the freedom of action of the United States, while simultaneously legitimizing US hegemony and primacy, particularly among European elites. The hegemon needs such legitimization, and indeed external consensus, in order to effectively project its power and achieve its goals. Talks of re-balancing and pivoting notwithstanding, today in the Asia Pacific the United States still appears to lack such legitimization and consensus.