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The United States and the Asia-Pacific Region:
Security Strategy for the Obama Administration

By Ralph A. Cossa, Brad Glosserman, Michael A. McDevitt, Nirav Patel, James Przystup, Brad Roberts

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Cover Image
Space view of Earth at night with blue light rays. (East Asia)
Source: iStockphoto, 2009

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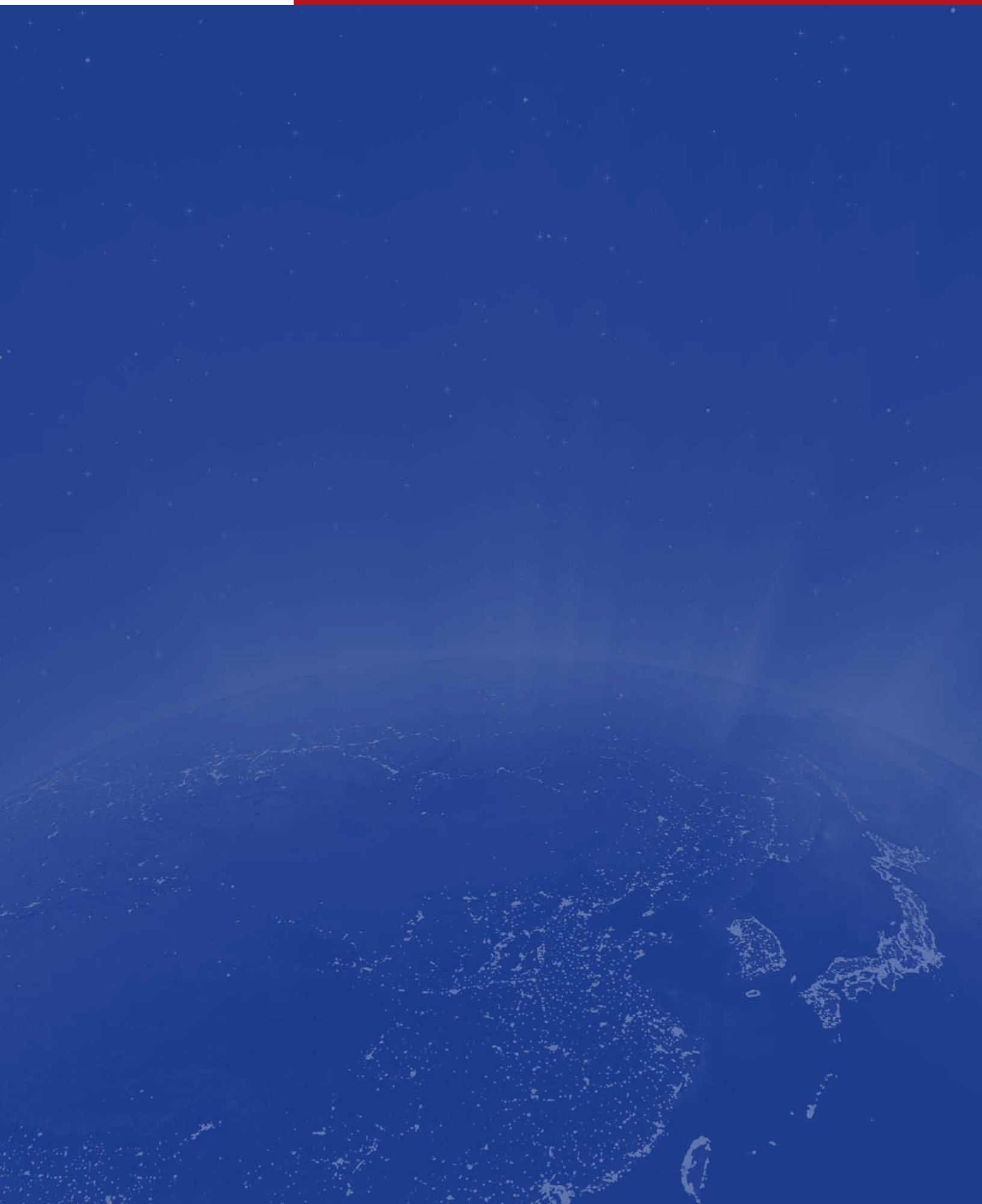

EXECUTIVE SUMMARY

Ongoing shifts in geopolitical power from West to East make the Asia-Pacific region more important to the United States today than ever before. The region is already an engine of the global economy, and major Asian countries are becoming global economic and political actors. Yet, as Asia's importance has grown over the last decade, Washington has often been focused elsewhere. The Obama administration needs a more active approach to the Asia-Pacific region that recognizes the new geopolitical realities and positions the United States to deal effectively with the challenges and opportunities that lie ahead. Such a strategy must build upon America's long-standing positive engagement in Asia and articulate a vision that can advance U.S. interests and attract support from countries in the region.

The ten years since the last official Asia-Pacific Strategy Report have been a decade of significant and inexorable change. Four developments are key. The first is the region's growing economic and political weight. The region generates 30 percent of global exports and its two-way trade with the United States exceeds $1 trillion annually. It holds two-thirds of global foreign exchange reserves.

The second factor is China's rise, a trajectory that has introduced an increasingly self-assured, rich, and powerful actor into the strategic mix. To its credit, China understands it needs a peaceful security environment in order to realize its transformation. Yet this rise creates dilemmas: the growing strength of China's military has alarmed its neighbors, who also depend on China for their own economic growth. China's military strategy worries countries that see Beijing's quest for security creating insecurity for them. Improving cross-Strait ties in recent months have helped assuage some regional concerns.

The third factor is the emergence of an increasing number of nuclear weapons states and the attendant threat of proliferation. India and Pakistan have conducted nuclear tests, as has North Korea. China continues to modernize its nuclear and ballistic missile capabilities. Russia is embarking on a strategic modernization program of its own. The United States has withdrawn from the Anti-Ballistic Missile (ABM) treaty and is deploying missile defense systems in the region. There are fears of an arms race. At the same time, there are rising concerns about proliferation of weapons of mass destruction (WMD) technology, materials, and knowhow to states and non-state actors.

The fourth factor is an increasing interest in multilateral cooperation. Once a laggard, the region now hosts a veritable "noodle bowl" of multilateral political, economic, and security mechanisms. These institutions are incomplete

and imperfect, but they have inculcated habits of cooperation and build mutual understanding. Regular political dialogue, economic integration, and other aspects of globalization have created a new atmosphere in which countries are exploring cooperative approaches to a wide range of security challenges.

Throughout this period, the United States has been consistently engaged and demonstrated its continued commitment to regional peace and security. This continuity lies at the heart of U.S. policy. By reinforcing and modernizing its alliances and partnerships, the United States is intent on maintaining its ability to shape and deter. But the United States needs a more forward-leaning vision for the Asia-Pacific region and its role in it that employs all the tools in its arsenal: diplomatic, political, military, economic, cultural, etc. Washington must understand and address the rising expectations and apprehensions of its allies, partners, friends, and potential adversaries or competitors alike. A new Asia-Pacific Strategy Report is an important vehicle for helping to accomplish this task.

To effectively protect and promote U.S. national security interests in the Asia-Pacific region in the face of major geopolitical changes and trends, the following strategic imperatives should guide U.S. policy: articulate a statement of purpose and vision for the U.S. role in the region that reaffirms U.S. leadership and commitment to restoring its moral authority; reaffirm and reinvigorate the network of U.S. alliances that continue to serve as the foundation upon which a broader strategy must be built; maintain strategic equilibrium while integrating rising powers — not only China, but Japan, India, and Russia as well — in ways compatible with U.S. interests; retard the proliferation of WMD; and actively participate in the region's multilateral economic, political, and security structures to address both traditional and non-traditional security challenges.

The Obama administration must recognize and address these imperatives by reasserting U.S. strategic presence; maintaining and strengthening bilateral ties; articulating a realistic and pragmatic China policy that stresses its "responsible stakeholder" role; engaging more intensively in regional multilateral fora, including more effective multilateral (and bilateral) cooperation on preventing WMD proliferation; increasing cooperation on climate change, energy security, and other non-traditional regional and global security challenges; and combating terrorism and extremism by focusing on "winning hearts and minds" through a more effective combination of hard and soft power and public diplomacy. This will require the Obama administration to reexamine the nature of U.S. military engagement in the region while broadening its security agenda and promoting open and free trade in a bipartisan manner.

Reassert Strategic Presence

Asia-Pacific nations need to be reassured of America's continued commitment to the region. Strong presidential statements and authoritative government reports that emphasize Asia's permanent importance to the United States are a part of this. However, actions must match words. President Obama should not only attend high-level meetings in Asia, but initiate meetings and summits that will further U.S. strategic interests in the region. Senior U.S. officials should be present at every important meeting in Asia to which we are invited. Consideration should be given to more frequent and effective use of special envoys, including a senior envoy for North Korean affairs who reports directly to the National Security Advisor and coordinates closely with the Department of State.

Maintain Strong Bilateral Ties

America's bilateral alliances should remain the foundation for its engagement in the Asia-Pacific;

they remain indispensable to managing traditional security challenges and provide the basis for dealing effectively with new non-traditional security issues. Strong bilateral relations must be based upon constant, open, and genuine consultation.

The U.S.-Japan alliance is the foundation for American engagement in the Asia-Pacific. The United States should reinvigorate this vital relationship and reaffirm its role as a security guarantor. Cooperation on ballistic missile defense should proceed as planned. The relocation and realignment of U.S. forces from Japan to Guam should be accelerated. Washington and Tokyo should broaden and deepen their cooperation, including on non-traditional issues such as climate change and energy security.

American policy makers must reaffirm the importance of the U.S.-Republic of Korea (ROK) alliance and propose new strategic guidelines to enhance bilateral cooperation both on and off the Korean Peninsula. A formal strategic dialogue would be an important step to help clarify intentions and deal with concerns, as would a clear reaffirmation of America's nuclear commitment. Ratification of the Korea-U.S. free trade agreement (KORUS FTA) would also be an important step in broadening alliance-based cooperation. Its failure risks major setbacks to the alliance.

Washington needs to be more actively supportive of Canberra's (and Wellington's) efforts to promote stability and good governance in the South Pacific/Oceania while nurturing our special relationships with allies and partners in Southeast Asia. Particular attention should be paid to lessons learned from combating insurgencies, and emphasis placed on collaboration in other types of non-traditional challenges, including maritime security, drug trafficking, and human trafficking.

Articulate a Realistic and Pragmatic China Policy and Support a Stable Peace in the Taiwan Strait

Such a policy should include: a U.S. commitment to continued prosperity and stability in China and a welcoming of political liberalization; an offer to increase dialogue on military modernization and maritime security issues and concerns; continued engagement in cabinet-level bilateral dialogue and cooperation on finance and trade-related issues, while still playing hardball when necessary on matters such as product safety and protection of intellectual property rights; and encouraging bilateral cooperation on climate change, energy security, and other shared areas of concern.

Sustain Military Engagement and Forward Presence

The United States must maintain a forward-deployed military presence in the region that both reassures friends and reminds others that America will remain the ultimate guarantor of regional peace and stability. The United States can enhance its military presence in the region by undertaking, together with allies and partners, investments to improve interoperability and allow U.S. military relationships to make greater contributions to regional security, including on nontraditional contingencies such as humanitarian relief operations.

Engage More Actively in Regional and Multilateral Fora

The United States should invest diplomatic capital to counter perceptions of U.S. indifference toward Asian multilateral institutions. This involves more than just showing up. Multilateral initiatives, including the U.S.-ASEAN (Association of Southeast Asian Nations) Enhanced Partnership and the proposed Free Trade Area of the Asia-Pacific should be revalidated and expanded. The United States also needs to more clearly articulate

its support for the East Asia community-building process in general and the East Asia Summit in particular.

Washington must work more actively toward rapprochement and enhanced cooperation among the three dominant states of the Asia-Pacific region: China, Japan, and the United States. There should also be more durable and entrenched cooperation and trust between two of Asia's great democracies, Republic of Korea (ROK) and Japan. Reinvigoration of high-level U.S.- Japan-ROK talks should be a high priority.

Prevent Nuclear Proliferation and Promote Nuclear Stability and Disarmament

Proliferation threatens U.S. homeland security and regional stability in Asia. Efforts to halt WMD proliferation should include: the pursuit of strategic dialogues with Russia, China, India, Japan, and South Korea; an arms control agreement with Russia that safeguards continued nuclear reductions and holds out the promise of future participation by other states; and the promotion of a vigorous and effective non-proliferation regime and treaty implementation in the Asia-Pacific, focusing on the 2010 Nuclear Non-Proliferation Treaty (NPT) review conference while exploring the conditions under which nuclear abolition might become possible. For now, continued U.S. extended deterrence to Japan and South Korea remains essential for a stable nuclear order.

Counter Radical Islam

Our response to radical Islamic terrorists should focus on quietly helping friends to combat violent groups and their enablers by providing intelligence and law enforcement assistance, developing regional information-sharing technologies and networks, strengthening legal systems (including investigative, prosecutorial, judicial, and correctional skills), and equipping and training counterterrorism forces. In order to cooperate effectively in this sensitive area, administration officials will need to establish strong personal relationships with Southeast Asian counterparts and take into account the effects of Middle East problems.

Broaden the Agenda/Strengthen American Soft Power

America's military and diplomatic efforts remain crucial to our engagement with Asia, but U.S. leaders must not overlook the myriad opportunities to broaden and deepen our engagement in the region. By helping other nations improve their ability to tackle shared economic, environmental and security challenges — through technical assistance to government and industry, support of education and health programs, and leadership in regional and global fora — the United States can reclaim its mantle as an indispensable nation in Asia.

Cooperate on Non-traditional Security Challenges

Broadening our efforts to deal with non-traditional security challenges such as climate change and energy security is essential. Multilateral efforts to address these problems will also require separate and intense bilateral discussions with China and India if we are to have any success in managing the consequences of climate change.

Promote Open and Free Trade

Free trade and open markets are key pillars for stability and security in the Asia-Pacific — and for long-term American prosperity. The United States should encourage Asian nations to continue expanding free trade agreements and similar frameworks that ensure greater interdependency and economic growth. Efforts to address the impact of the global economic slowdown must not produce a lapse into protectionism that exacerbates the crisis.

Conclusion

The election of a new president provides an opportunity to renew policy, reframe problems, and build new political foundations. This report identifies a number of strategic imperatives and specific recommendations aimed at helping the Obama administration seize the moment in the Asia-Pacific. Its cornerstone is the reassertion of a U.S. vision offering clarity about American purposes and a division of responsibility in advancing shared interests in stability, prosperity, and freedom.

We urge the Obama administration to recognize the imperatives and act upon the recommendations in this report. The new administration should also produce its own definitive Asia-Pacific Strategy Report early on to underscore both the U.S. determination to remain engaged and the means by which America and its allies, partners, and friends can promote and preserve regional peace and stability together.

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"The historical record suggests that only in times of crisis does Asia grab the attention of policy makers."

CHAPTER I:
INTRODUCTION

This report is premised on the belief that the Asia-Pacific region is of vital importance to the United States. The range of U.S. national interests involved in our relationship with Asia necessitates a clear strategy to guide U.S. policy, one that will signal U.S. objectives and intent to allies, friends, and potential adversaries. Asia cannot be an afterthought in U.S. policy.

WHY AN EAST ASIA STRATEGY REPORT NOW?

The Asia-Pacific region is more important to the United States today than ever before. A geopolitical shift toward Asia is underway which could easily be accelerated as a result of the ongoing global economic crisis. The region is reemerging as a central political and economic player and is already an engine of the global economy. Yet, as Asia's importance has grown, Washington has been focused elsewhere, to be sure, often necessarily. The conflicts in Afghanistan and Iraq have drained U.S. resources — absorbing time, money, and attention that could have been applied to the many challenges now surfacing in Asia. The historical record suggests that only in times of crisis does Asia grab the attention of policy makers.

As the Obama administration grapples with the current economic crisis and tries to mitigate the impact of the financial crisis, relations with Asia are likely to be strained as the United States tries to lessen the impact of recession. Trade relationships will be intensely scrutinized. One of the new administration's challenges will be to ensure that the United States' commitment to open markets and free trade, which has enhanced American prosperity and been a key to the economic success of Asia, remains a guide for relations. Serious disruption to extant trading regimes will undoubtedly trigger adverse political responses and perhaps undermine today's stable relations among the major Asia-Pacific powers.

Most things in Asia have gone well, for Asian and for American interests. However, a more active Asia policy geared toward and focused on the new geopolitical realities outlined in this report is needed to permit the Obama administration to deal effectively and quickly with the challenges and opportunities that lie ahead in Asia-Pacific region.

ENDURING U.S. INTERESTS

Such a strategy must remain focused on enduring U.S. national interests and both build upon and reinforce America's long-standing history of constructive engagement in the Asia-Pacific region.

American engagement with and commitment to Asia is not a recent phenomenon or passing fancy. From its earliest days, the United States has been deeply involved in Asia. In February 1784, *The Empress of China* left New York harbor, sailing east to China and arriving in Macau in August of that year. It returned to the United States the following May carrying a consignment of Chinese goods that generated a profit of $30,000.

In 1835, 13 years before the United States even had a "west coast," the U.S. Navy East India Squadron was established and, with the exception of two years during the Second World War, marked the beginning of continued U.S. military presence in the Western Pacific. In 1844, China granted the United States trading rights in the Treaty of Wanghia.

In 1846, the United States first attempted to negotiate a trade agreement with Japan. That effort failed, but less than a decade later, Commodore Matthew C. Perry concluded the Treaty of Kanagawa, which opened Japanese markets to U.S. goods and provided protection for shipwrecked American sailors. It also included provisions for a coaling station for U.S. steam ships sailing the great circle route from San Francisco to China's Pearl River delta — America's first Asian "base."

U.S. National Security Interests

- Defense of the U.S. homeland, territories, citizens, allies, and interests
- Regional stability and the absence of any dominant power or group of powers that would threaten or impede U.S. access or interests
- Regional prosperity and the promotion of free trade and market access
- A stable, secure, proliferation-free global nuclear order
- Promotion of global norms and values, such as good governance, democracy, and individual human rights and religious freedom
- Ensuring freedom of navigation, which is an essential prerequisite for regional stability and the protection of American interests

U.S. trade with Asia rapidly expanded; then, as today, China was often considered the "market of the future." But America's interests in the region expanded considerably beyond that of trade and investment. In 1898, Guam and the Philippines were ceded to the United States as prizes in the Spanish-American War. During the 20th Century, U.S. diplomatic and commercial relations and strategic interests continued to expand and the United States expended considerable blood fighting three more wars in Asia.

DEFINING THE ASIA-PACIFIC REGION

For the purposes of this report, the Asia-Pacific region is being defined as encompassing Northeast Asia (including the Russian Far East), Southeast Asia, and Oceania. South Asia, Central Asia, and Southwest Asia are excluded from this report, although references will be made to key actors and organizations in these regions as they pertain to regional security and U.S. national interests, with particular focus on India.

Over the course of its relations with East Asia, the United States has adopted multiple approaches to protecting and advancing its interests.

- The Open Door Policy was a U.S. initiative that rejected special European privileges and extra-territorial "treaty ports" and ensured equality of access and commercial opportunity for all foreign traders in the China market.
- President Theodore Roosevelt worked to balance imperial Russia's efforts to develop an exclusive sphere of influence in Northern China by aligning the United States with Japan during the Russo-Japanese war.
- At the Washington Conference of 1920, the United States supported multilateral efforts to preserve the postwar status quo in the Asia-Pacific region and ensure the territorial integrity of China through great power cooperation. Multilateralism failed in this instance, since the agreements had no provisos for action other than to consult.
- Following the Second World War and throughout the Cold War, the United States relied on a series of bilateral alliances with Japan, the ROK, Australia, New Zealand, the Philippines, Thailand (and until recently) the Republic of China to help secure its interests in the Asia-Pacific region.

Although New Zealand's "nuclear allergy" has kept it out of the Australia-New Zealand-United States Security Treaty (ANZUS) since the mid-1980s, and taking into account the important changes in regard to Taiwan, the rest of this alliance structure has essentially remained in place and continues to serve as the foundation for U.S. security strategy in Asia. The centrality of these alliances and the broader strategy aimed at sustaining and enhancing them was outlined in the immediate post-Cold War era by a series of East Asia strategy reports.

From 1990 to 1998, the United States produced four such reports. The first two, released in April 1990 and April 1992, were reports to Congress from the White House under President George H.W. Bush. These East Asia Strategy Initiative reports were attempts by the executive branch to seize the high ground and retain control of the policy process as the country debated how best to achieve the post-Cold War "peace dividend." The first report made the case for a continued U.S. commitment to the Asia-Pacific region and a continued U.S. military presence, even if somewhat reduced, as the world witnessed the slow collapse of the Soviet Union. It explained the need for burden sharing and laid out a phased reduction in overseas deployment levels—a similar but much more substantial redeployment was being implemented in Europe. The second report, issued two years later, assessed the progress to date in the readjustment of the U.S. presence and explained how those changes matched the post-Cold War security environment.

Three years later, the Clinton administration saw an equally compelling need to produce its own East Asia Strategy Report (EASR) articulating its objectives and intentions for the region. While the 1990/1992 reports were released by the White House, the two Clinton-era reports were issued by the Department of Defense. The primary audience of the Clinton administration report was as much in Asian capitals as in Washington; its aim was to assuage fears that the phased withdrawal plan of the previous documents had become divorced from developments in the region. The 1995 report

was designed to reassure friends and allies in the region that the U.S. commitment to Asia remained solid. Its key message was that the United States would maintain the presence of 100,000 military service personnel in the region. Also notable in this report was the recognition of the potential significance of new multilateral security initiatives in the region. The United States endorsed the new Association of Southeast Asian Nations (ASEAN) Regional Forum (ARF) and other security dialogues, and made the case for security engagement on both bilateral and multilateral levels.

Three years later, the fourth and final EASR was issued. Its authors wanted the document to serve as a model of transparency at a time when there were fears of increasing militarization of the region: the United States would set an example and make its intentions and objectives crystal clear. The document reaffirmed the 1995 commitment to maintain 100,000 troops in the region. Like the 1992 report, it assessed the progress made in implementing the policies of its predecessor and explained how those adjustments fit the evolving security environment. The 1998 strategy report not only focused on the U.S. presence, but also underscored U.S. readiness to engage Asian nations across a range of security concerns.

A review of regional policy was launched in the early days of the George W. Bush administration as well, but it was sidelined by the terror attacks of September 11, 2001. After that, the administration preferred to adopt a global strategy — a global war on terrorism — that had little room for the nuance implied in regional strategy reports. The new Bush administration's Asia-Pacific strategy was spelled out, instead, through a combination of pronouncements, speeches, and congressional testimony from responsible officials. The basic tenets of U.S. policy did not change substantially, however, just as they remained constant and consistent during the two previous administrations.

THE NEW ASIAN CONTEXT

Although the Bush administration's approach to Asia did not deviate significantly from the historic principles of U.S. Asian strategy, the region has changed significantly. China has continued its spectacular ascent, maintaining economic growth rates of seven percent or higher every year since 1991. While much attention has focused on the military implications of this process, the impact of China's rise on regional dynamics is equally significant. Not only has its growing wealth afforded China new diplomatic and political opportunities, but Chinese relationships with Asian neighbors have been fundamentally transformed. Beijing now has productive relations with all of its neighbors, turning many formerly adversarial relationships into cooperative ones. Economically, China is now at the center of a vast regional production network. This ever-thickening web of economic relations has facilitated the spread of regionalism. Asian nations increasingly see their fates as intertwined, which encourages them to seek a more structured context for interaction, both to discover cooperative solutions to problems and to create a platform that will amplify their voice on the international stage.

"Although the Bush administration's approach to Asia did not deviate significantly from the historic principles of U.S. Asian strategy, the region has changed significantly."

This process is evident in the drive to create the various political, economic, and security communities, such as a more cohesive ASEAN, the ASEAN Plus Three process (involving the ASEAN nations plus China, Japan, and South Korea), and the East Asia Summit (which further adds Australia, New Zealand, and India to the mix). India has become a more active player in the region both through bilateral initiatives and through greater involvement in multilateral fora.

Asia's growth has created new sets of problems. Economic development means that Asia, once considered a mere transit point for proliferation networks, can now actively contribute to them. Asia (especially China and India) is also the primary source of rising global energy consumption. Heightened demand for resources to support rapid growth has created shortages and contributed to environmental degradation, both of which have increased frictions among neighbors. Most pressing, perhaps, are the risks posed by global warming to Asia and its billions of citizens. Increasing mobility among citizens, access to new sources of information, and rising disparities of wealth have also created new strains. Asian societies are experiencing in decades processes that Western nations stretched out over centuries. Some are ill prepared to cope. "Human security" therefore has risen up the regional security agenda.

Just as important, a new generation is taking power throughout East Asia. Some have been exposed to or educated in the United States — but not to the same extent as during much of the period from the 1950s–1980s. This younger generation of leaders and their constituents has very different views of respective national identities and the roles their countries should play in regional and world affairs. In many instances, their relationships with the United States are being significantly transformed, such as in South Korea. Rising nationalism has frequently come with generational change, which creates its own set of challenges.

At the same time, the United States faces new constraints. The U.S. image has degraded. While George W. Bush has been accused of unilateralism and taking Asia for granted, such criticisms in fact predate his administration. Presidents George H.W. Bush and Clinton were both charged with U.S. unilateralism in their handling of trade disputes. President Clinton was accused of disregarding South Korean concerns in the 1994 North Korean crisis and ignoring the 1997 Asian financial crisis. Asians were always quick to see the difference between American ideals and action, but today they have the political and economic clout to resist American pressure or question U.S. actions and wisdom. This is a real constraint on U.S. power and influence that has not been apparent in the past. American "soft power" — the attractiveness of U.S. values, culture, and ideals — has decreased, not so much due to a rival, more attractive, role model as to the failure of the United States to live up to its own ideals at a time when others feel more comfortable holding Washington to its own standards. Yet the recent survey of "Soft Power in Asia," conducted by the Chicago Council on Global Affairs and the East Asia Institute in Seoul, found that respect for American soft power in the region remains strong — a good basis on which the Obama administration can build. Nonetheless, significant new resources need to be allocated to "public diplomacy" in the region.

More powerful still is the new economic reality that the Obama administration faces. The U.S. government recorded a deficit of $438 billion in FY08, an all-time high; this number will swell, buoyed by the financial assistance packages passed at the end of the fiscal year. This is only part of a total national debt that exceeded $10 trillion last year. The difficulties of readjustment will be compounded as the United States and the world grapple with the recession that has just begun. The extended U.S. military presence is expensive, but it is sustained with forces already in hand, and is not dependent on new forces that must be procured. As a result, while the $515 billion military budget will come under intense scrutiny in this new fiscal environment, this scrutiny is unlikely to directly affect the existing posture of U.S. forces in the region. That may not be true for those who deploy other (softer) elements of U.S. power, such as diplomats, aid and cultural officials. They could feel the pinch more intensely. Thus, just when a wider range of resources is needed, U.S. assets are likely to be harder to find.

"While George W. Bush has been accused of unilateralism and taking Asia for granted, such criticisms in fact predate his administration."

Importantly, the United States retains both the desire and the ability to be a major source of regional stability and prosperity. Comments both during and after the presidential campaign suggest that the Obama administration will remain as committed to Asia-Pacific security as its predecessors. Though administrations change, national interests generally remain constant, and it is clearly in America's national security interest to remain fully engaged in the Asia-Pacific region.

To do this more effectively, a comprehensive strategic approach to Asia is needed. A series of strategies for managing bilateral relationships is insufficient. The United States needs to have a comprehensive vision and integrated approach to Asia that takes full account of several important changes in the region in recent years. Demands upon the United States are growing as new threats, new dynamics, and new opportunities emerge. Happily, the outpouring of international support for the United States in the aftermath of the Obama election suggests that nations are still looking to Washington for leadership. An Asia-Pacific Strategy Report would provide a vision to guide U.S. policy and serve as an articulation of ongoing U.S. interest in and commitment to a region of vital concern.

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CHAPTER II:
THE ASIA-PACIFIC SECURITY ENVIRONMENT

The 10-years since the last official Asia-Pacific Strategy Report have been a period of significant and seemingly inexorable change. A decade ago, China was "emerging;" today it is a major regional, and increasingly global, actor. China's rise is emblematic of the emergence of a new, more economically and politically powerful Asia. A decade ago, we worried about North Korea's nuclear aspirations; we still do, but with a new sense of urgency, given Pyongyang's 2006 nuclear weapon test and the preeminent concern, in the post-9/11 world, of keeping weapons of mass destruction (WMD) and fissile material out of the hands of non-state actors.

Japan was a unidimensional power in the 1990s, ready to serve as an economic model but hesitant to venture forth as a partner in security-related affairs. Today it is becoming more multidimensional, although Tokyo still acts hesitantly on the regional stage. While still the world's second largest economy, its economic image is being overshadowed by a China that nonetheless still worries, along with some of Tokyo's other neighbors, about the implications of a more "normal" Japan. Meanwhile, within the last year, Russia has demonstrated that it can no longer be ignored or dismissed, as it recaptures much of its former political and economic power, even if its Far Eastern conventional military capabilities remain limited. Likewise India, long a central player in South Asia, has turned its attention eastward and has become more economically and politically engaged with its East Asian neighbors.

The old continental-maritime balance of power may also be drawing to a close. Since the end of the Vietnam War, Asia has benefitted from a unique balance of power, in which the continental powers of Asia — first the Soviet Union and then the People's Republic of China (PRC) — were "balanced" by the U.S.-led coalition of Asian littoral powers that included America's friends and allies. The continental powers were safe from invasion, thanks to large armies, vast territories, and nuclear weapons. U.S. friends and allies were safe from invasion and maritime blockade thanks to U.S. and allied air and sea power, which is backstopped by the U.S. nuclear arsenal. This period of geostrategic stability provided the opportunity for virtually all nations of the region (North Korea and Burma being the main exceptions) to focus simultaneously on internal political stability and economic development.

"Since the end of the Vietnam War, Asia has benefitted from a unique balance of power, in which the continental powers of Asia were 'balanced' by the U.S.-led coalition of Asian littoral powers that included America's friends and allies."

This may be changing as a result of the sweeping political, economic, and military changes now underway. Changes in the geopolitical landscape necessitate a fresh look at American security strategy if the United States desires to preserve and protect its interests and influence in the Asia-Pacific region. This is not to imply that the United States has not been reacting to the changing security environment; it has (as the last section of this chapter will outline). But the changes are outpacing Washington's ability to respond in many instances and a more proactive, versus reactive, strategy is needed.

MAJOR GEOPOLITICAL TRENDS AND DEVELOPMENTS

It is impossible to document all the regional changes and trends that have been witnessed in the 10 years since the previous series of Asia-Pacific Strategy Reports ended. A few were mentioned briefly above. Others include rising nationalism throughout the region that has manifested itself in a new assertiveness in many nations in the region, both in dealing with one another and in dealing with the United States. Democracy is also on the rise. Many Asia-Pacific nations have witnessed one or more peaceful "regime changes" in the past 10 years. Freer and fairer elections are becoming more the rule and less the exception throughout the region, despite some significant holdouts representing the non-democratic extremes and "people power" demonstrations in the Philippines and Thailand, which potentially threaten the democratic processes they profess to uphold.

For the remainder of this chapter, however, we will focus on the four areas that have witnessed the greatest change and could have the greatest impact on future U.S. security thinking in the Asia-Pacific region.

Asia's Economic Resurgence and Its Global Significance

Asia is reemerging as a central political and economic player and an engine of the global economy. The countries in East and Southeast Asia house almost one-third of the world's population, generate about a quarter of global output, and produce about a quarter of global exports. Asian manufacturers have captured a large share of global production chains. Asian governments and government-controlled institutions hold about two-thirds of the world's $6 trillion-plus foreign exchange reserves. Until the recent financial crisis, growth rates in many parts of Asia in the last decade approached or exceeded double digits, lifting tens of millions of people out of absolute poverty.

Asia's market-oriented policies and successful engagement with the global economy set a good example for other regions. By almost any measure, Asia is highly globalized. Growing wealth and technological sophistication mean that Asian governments and private actors have greater capacity than ever before to help stabilize the global economy and contribute to the solution of global problems. By the same token, threats from Asia, such as crime and disease, can also spread quickly, exacerbating these problems. Asia's growing demand for energy and other resources has created tensions among nations and environmental problems that yield new security threats and challenges. For example, Chinese and Indian demand for energy and other commodities was a major factor in the run-up of energy and commodity prices in 2006 and 2007, and will continue to influence global markets in the decades to come.

A decade ago, Asia was an important economic region; today it is critical for U.S. prosperity. Two-way merchandise trade between the United States and Asia is almost $1 trillion a year, amounting to 27 percent of total U.S. merchandise trade with the world versus 19 percent with the European Union. (Europe leads in investment ties, however, and Canada and Mexico are the top two U.S. trading partners.) Asia straddles vital sea lines of communication for the United States and its allies, partners, and friends. The world's six largest ports, both container and cargo, are in Asia.

Despite the severity of the 1997–98 Asian financial crisis, Asia recovered relatively quickly and has continued to grow at a steady pace. Closely associated with this growth is the rise of China as a regional production center. Increasing regional economic integration — driven more by private actors than by governments — is boosting intra-regional trade and economic interdependence.

This increasing economic interdependence coincides with a growing interest in regional free trade

U.S. TRADE WITH ASIA AND EUROPE (FIGURES FOR 1997 AND 2007)

	U.S. Two-Way Merchandise Trade ($billions)		
	1997	2007	% of Total U.S. Trade
European Union*	305.9	601.6	19.3
East Asia**	508.5	940.4	30.2

*European Union data includes all new members

**East Asia includes ASEAN, China, Japan, South Korea, Hong Kong, and Taiwan

Source: Calculated from U.S. Census Bureau data

Seven of the top 15 U.S. manufactured export destinations are in Asia

- China
- Japan
- South Korea
- Taiwan
- Singapore
- Hong Kong
- Australia

Eight of the top 15 U.S. agricultural export destinations are in Asia

- Japan
- China
- South Korea
- Taiwan
- Indonesia
- Hong Kong
- the Philippines
- Thailand

agreements (FTAs) (more accurately described as preferential trade agreements). Most of the countries in the region have signed or are negotiating or discussing bilateral or regional trade agreements. These agreements are a geopolitical expression of peaceful relations among states as well as a commercial tool. The China-ASEAN FTA, signed in 2007, is the most well known. When fully implemented, it will be the world's third largest trade agreement, after the European Union and the North American Free Trade Area (NAFTA). Like many other Asian trade agreements, however, it contains many exclusions and long phase-in periods, and it contains no binding enforcement provisions.

The collapse of the World Trade Organization's (WTO) Doha round negotiations in 2008 marked a setback for global multilateral trade liberalization. Whether or not they recover, Asians see little choice but to pursue regional and bilateral agreements as a substitute.

Asian interest in trade liberalization is not exclusive; it also extends to the United States. FTAs with Singapore and Australia are in effect, and one with South Korea is pending. In September 2008, the United States announced that it would begin negotiations to join Singapore, Chile, Brunei, and New Zealand in the Transpacific Strategic Economic Partnership (TPP) within the Asia-Pacific Economic Cooperation (APEC) forum. The terms of this agreement match or exceed the requirements of the WTO. Since the TPP contains an open accessions clause, others may join if they meet the requirements.

Unlike these various pan-Asian agreements, the United States is a member of APEC. APEC is unique in that its "member economies" include Taiwan and Hong Kong. The lead-up to the U.S. chairmanship of APEC in 2011 presents an opportunity for the United States to influence the future direction of regional trade agreements in a market-oriented direction. Conversely, failure to pay attention to the region could spell the exclusion of the United States from future regional trade agreements. There is no risk of a protectionist "Fortress Asia," but pan-Asian preferences and the growing "noodle bowl" of trade agreements could gradually divert trade away from U.S. exporters, thus amounting to a departure from global trade norms.

"There is no risk of a protectionist 'Fortress Asia,' but pan-Asian preferences and the growing "noodle bowl" of trade agreements could gradually divert trade away from U.S. exporters."

The global economic slowdown is certain to have a negative impact on Asian economies. The flight to relative safety has driven a rise in the value of the yen that is hurting Japanese exporters and tipping Japan into recession. Although the Chinese leadership is attempting to boost domestic consumption, China's dependence on export-led growth means that a slowdown in U.S. and European demand will produce a significant slowdown in the Chinese economy, with a corresponding loss of jobs. The result will likely be a slowdown in Chinese growth rates rather than a slide into recession, but economic problems are certain to increase the Chinese leadership's concerns about social stability. The economic slowdown has already hurt the Chinese stock market and booming property markets in major cities; the knock-on effects on China's banking system are unknown but could be significant.

China's policy response has emphasized infrastructure spending to stimulate the domestic economy along with efforts to help troubled exporters via export tax rebates. Many in the United States (and in Asia) are concerned that Chinese policy makers may seek to reverse the recent appreciation of the renminbi as part of a bid to help boost exports. South Korea has seen a major depreciation in the value of its currency, and has significant concerns about the potential impact of prolonged crisis. Southeast Asian countries are also worried about the economic and social impact of a slowdown in growth rates and the potential for the financial crisis to affect their domestic economies.

In short, the relative balance of the world's economic power has been shifting in favor of Asia and will likely continue to do so once the global recession eases. As governments around the world struggle through the current financial crisis, China and Japan, with their huge foreign exchange

reserves, loom large. Although a definitive version of the much-touted "Asian century" may or may not materialize, Asia's economic growth alone deserves in-depth U.S. strategic attention.

The Rise of China and Its Strategic Impact on Asia

Directly related to the first trend is the second: the economic development of China and its military modernization. This has introduced an increasingly self-assured, rich, and potentially powerful actor into the Asian strategic mix, albeit one that fully understands that its rise requires a peaceful, secure geopolitical environment. Nonetheless, as China improves its military capabilities to guarantee its security and to field a military establishment worthy of a major power, it threatens the continental-maritime balance. When combined with its growing economic and concomitant diplomatic influence, China is a major player in every aspect of Asian security.

The dramatic success of Beijing's "reform and opening up" economic policies have yielded the revenues necessary to underwrite a comprehensive modernization of every aspect of the Peoples Liberation Army (PLA). By gradually improving its military capabilities offshore, albeit largely for strategically defensive purposes, China is beginning to establish a presence in the maritime region that has been the preserve of the United States and its allies for the past half-century. Left unaddressed, this will upset the decades-old continental-maritime balance of power that has preserved stability in the region. The efficacy of the U.S. strategic position in Asia depends upon America's ability to use the seas to guarantee the security of its East Asian allies and pursue U.S. national interests. By attempting to achieve security on its maritime frontier, Beijing is creating a potentially dangerous dynamic: as its security situation improves, it makes the security environment for many of its neighbors worse. It has led to a conclusion in Washington that a central element of China's strategy in case of conflict is to keep U.S. power as far from East Asia as possible. Since 2001 the Department of Defense has characterized China's approach as an "*anti-access*" operational concept.

"By attempting to achieve security on its maritime frontier, Beijing is creating a potentially dangerous dynamic: as its security situation improves, it makes the security environment for many of its neighbors worse."

The China factor in the evolving Asian security environment presents most of China's neighbors with a strategic dilemma. The economic relationship that each nation has with Beijing is central to the economic wellbeing of all parties, and strong bilateral ties with Beijing enhance economic interdependence. At the same time, however, Beijing's military modernization presents a security challenge. For example, China's anti-access strategy could isolate Japan in a time of crisis. In addition to keeping a close eye on Chinese military modernization, Tokyo has for a decade strengthened its alliance with the United States as a hedge against the prospect of a threatening China.

The central focus of Beijing's anti-access strategy has been to limit or deny the United States' ability to interfere with a threatened or actual use of force to deter or respond to a Taiwanese declaration of independence. During much of the last 10 years, the United States hoped that the regime in Taiwan

would not pursue reckless symbolic political gestures that would anger China and undermine stability across the Taiwan Strait. Senseless provocations, especially as China improved its capabilities to attack Taiwan with ballistic missiles, appeared certain to trigger a misjudgment that could involve the United States in a devastating conflict with China that neither side desired. Washington's argument was that without moderation, Taiwan's security would be compromised.

The March 2008 election of Ma Ying-jeou as president of Taiwan installed an administration in Taipei that is dedicated to a moderate approach to cross-Strait relations, thus improving the political atmosphere between Taipei and both Beijing and Washington. President Ma's strategic pledge of "no unification, no independence, and no use of force," with the codicil that "Taiwan will maintain the status quo in the Taiwan Strait" has the potential to dramatically shift the China-Taiwan relationship from military confrontation to political détente; it could introduce a sustained period of stability in the cross-Strait dynamic.

For Washington, and one hopes for Beijing and Taipei as well, the strategic objective is to "stabilize" the cross-Strait relationship. Removing the prospect of conflict between the United States and China over Taiwan would dramatically change the geostrategic environment. Reaching this point will require creativity and flexibility on the part of Beijing and the ability of the Kuomintang government in Taiwan to persuade a suspicious opposition that the current course of action is in Taiwan's near- and long-term interest. In the interim, U.S. strategy will still be shaped by the Taiwan Relations Act and the Three Communiqués between Washington and Beijing — and continue to focus on resisting any unilateral change to the status quo by either side.

Increasing Nuclear Activity and Proliferation Concerns

One of the most striking developments in the regional security environment over the last decade has been in the domain of nuclear weapons. It is useful to recall the nuclear context in which the first four Asia strategy reports were crafted. There was steady progress in moving back from the Cold War nuclear brink (in Asia and globally) as a result of the withdrawal of tactical nuclear weapons from the region by the United States and Russia as part of the Presidential Nuclear Initiatives (PNIs) and the drawdown of strategic forces under the Strategic Arms Reduction Talks (START). Denuclearization of the Korean Peninsula seemed to be proceeding, albeit fitfully, under the 1994 U.S.-DPRK (Democratic People's Republic of Korea) Agreed Framework. The global arms control regime seemed to be gaining strength, with indefinite extension of the Nuclear Non-Proliferation Treaty (NPT) and conclusion of the Comprehensive Test Ban Treaty (and China's decision to join both). In sum, from 1990 to 1998, the nuclear shadow seemed to be in retreat.

Today, however, the nuclear shadow seems to be lengthening. First came nuclear tests by India and Pakistan and their competition to build up capabilities, including those that reach beyond their sub-region. Then came China's modernization of its ballistic missile capabilities, first and most obviously with its dramatic build-up of short-range missiles but also including its intercontinental ballistic missile (ICBM) force. This intersected with U.S. withdrawal from the Anti-Ballistic Missile (ABM) Treaty and deployment of ballistic missile defenses. This triggered fears in Asia that a new sort of nuclear arms race — one with an offensive/defense dimension — was in the offing.

Then came revelations about the A.Q. Khan network in Pakistan and the apparent emergence of an illicit trade in nuclear materials among so-called

second-tier nuclear weapon states, a trade seemingly outside international control. At the same time, credible reports emerged of efforts by al Qaeda and its affiliates to recruit scientists with nuclear expertise and to acquire the materials and technologies for nuclear weapons. Then came North Korea's own test of a nuclear device and recognition that its return to a non-nuclear status would not come quickly or easily (or cheaply), if at all. Next were revelations about North Korea's suspected nuclear assistance to Syria. The Six-Party Talks have achieved some limited success in capping North Korea's nuclear activities, at least as long as the Yongbyon facilities remain disabled. But denuclearization appears a long way off.

Meanwhile, Russia is now considering abrogating the Treaty on Intermediate-Range Nuclear Forces (INF) in order to resurrect a deterrent for Asia. Even its implementation of the PNIs has now come into question. All of this fuels a new debate in Asia about nuclear "tipping points" and the possibility that the NPT might collapse in 2010. These developments have obviously intensified the nuclear security concerns of many states in the region that chose nuclear abstinence in the 1960s but today have high levels of latent capabilities that could be turned to weapons purposes if the NPT were to collapse.

In sum, from 1998 to today, the nuclear issue has come back onto the Asian security agenda. But the issue is entirely different from the nuclear problem of the Cold War and poses challenges to the region that are novel and highly dangerous. One thing that has not changed are complaints from the non-nuclear weapons states that the United States and other members of the nuclear club have not done enough regarding their disarmament obligations under Article VI of the NPT. Calls by four senior U.S. statesmen — Henry Kissinger, Sam Nunn, William Perry, and George Schultz — for the United States to renew its commitment to a nuclear weapons-free world have raised hopes that the Obama administration will demonstrate fresh thinking on this topic.

While nuclear disarmament remains the long-term goal, proliferation remains the near-term challenge. If North Korea is able to take the next technical step and weaponize a nuclear device that could be fitted to a long-range missile, many observers believe it could have an impact on Japan's decision to forswear nuclear weapons and depend on U.S. extended deterrence. Pyongyang's nuclear weapons and missile programs are already affecting Japanese thinking about the necessity of a ballistic missile defense system, as well as modifying its command and control doctrine to account for the short flight time for a missile launched at Japan from the Korea Peninsula, as engagement decisions must be made within minutes (if not seconds).

"While nuclear disarmament remains the long-term goal, proliferation remains the near-term challenge."

The Korean Peninsula denuclearization process (or the lack thereof) will continue to have a significant impact on ROK and Japanese thinking about security. It has also created a diplomatic dynamic in which Beijing's apparent leverage with Pyongyang places a premium on Washington's maintaining cooperative relations with China. To some degree, the success of U.S. attempts to achieve a fully denuclearized North Korea depends upon good Sino-American relations. It also requires the other five members of the Six-Party Talks — China, Japan, South Korea, Russia, and the United States — to speak with one voice in dealing with a recalcitrant North Korea. Meanwhile,

the continued reliance on the six-party process to deal with this issue underscores another trend in the Asia-Pacific region over the past decade: the increased tendency to build, if not rely upon, multilateral initiatives to deal with regional challenges and promote broader regional cooperation.

Increasing Multilateral Cooperation in the Asia-Pacific

After a slow start, over the past two decades (and especially during the past 10 years) interest in multilateral cooperation and cooperative security has flourished in the Asia-Pacific. This trend has been led by the 10 Southeast Asian nations that comprise ASEAN. Although the United States played a leading role in the establishment of the APEC Leaders' Meeting, other institutional initiatives — the ARF, ASEAN Plus Three, and more recently the East Asia Summit — have all been ASEAN initiatives.

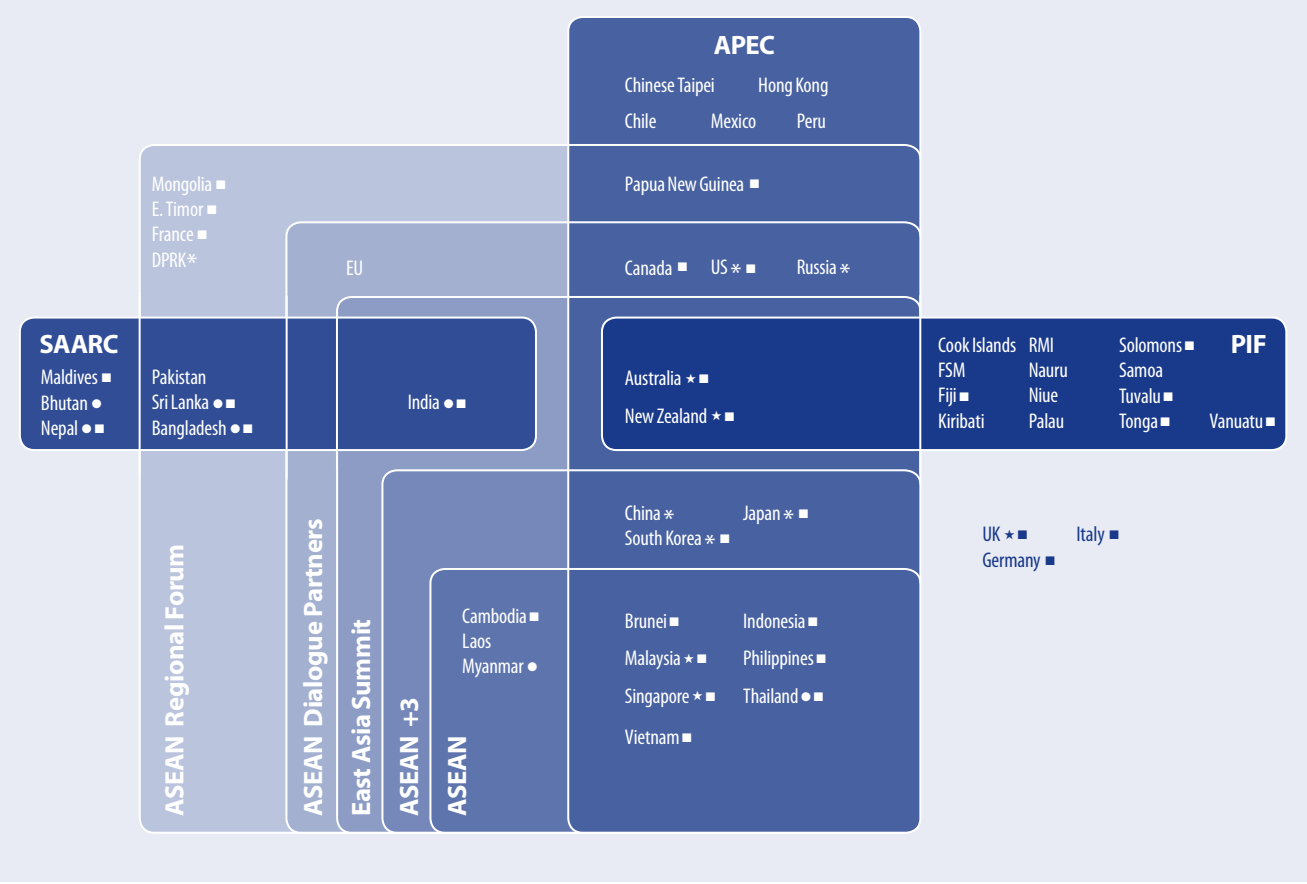
While these institutions have been criticized for being more interested in dialogue than in tackling substantive issues, they have contributed to peace and stability in Southeast Asia by forming habits of cooperation and building mutual understanding. The trend toward cooperative mechanisms seems inevitable, and since China made the decision during the 1990s to embrace cooperative approaches rather than remain aloof, this has become a major diplomatic tool in Beijing's relations with its Asian neighbors.

The Asia-Pacific region is not alone in this trend. South Asia has the eight-nation South Asian Association for Regional Cooperation (SAARC), the Pacific Islands have their 16-nation Pacific Island Forum (PIF), and most Central Asian nations along with China and Russia are members of the Shanghai Cooperation Organization (SCO). In Northeast Asia, the Plus Three countries have met periodically to discuss economic cooperation but security discussions, by mutual consent, have been kept off the table. The Six-Party Talks do deal with one specific security challenge — Korean Peninsula denuclearization — but their mandate has thus far been limited.

More recently, factors have emerged that suggest that security cooperation in Northeast Asia may be coming into its own. The economic integration of this sub-region has deepened despite periods of tension. Other aspects of globalization, such as the spread of popular culture, regional tourism, and sub-regional communications, have created a new atmosphere in which cooperative approaches to a wide range of economic, communications, social, travel, and cultural challenges among nations appear a more plausible and desirable way to address shared interests such as energy security, sea-lane security, and reducing environmental degradation and pollution.

The political environment appears especially propitious for the development of a sub-regional framework for security cooperation. Japan and China have improved relations. Relations between Seoul and all its neighbors (except North Korea) have improved. The improved atmosphere across the Taiwan Strait has made the possibility of conflict between the United States and China more remote than ever. Even Russia, despite the angst it has created in relations with the United States and Europe, has good relations with its Asian neighbors, with the possible exception of Japan. (Moscow and Tokyo are not in crisis, but Tokyo is more neuralgic about Russia than are other countries because of unsettled Kurile Island sovereignty issues and recent Russian Air Force violations of Japanese airspace.)

ASIA-PACIFIC MULTILATERALISM



One obvious model for security cooperation in Northeast Asia is the Six-Party Talks. There has been a great deal of speculation over the eventual transformation of this ad hoc, issue-specific dialogue into a more permanent regional one. Washington is interested in such a concept, but only as long as it is not perceived as being at the expense of its bilateral relationships, and only if it does not distract the six-party process from its primary objective. This is a new aspect of the Northeast Asia security landscape that could have a significant impact on the security architecture of the entire region. Meanwhile, the region's other multilateral institutions continue to spread their wings, some with U.S. participation (APEC, ARF) and some without (ASEAN Plus Three, East Asia Summit.

U.S. POLICY: CONTINUITY AMIDST THE CHANGES

Despite the changes of the last 10 years, Washington's approach to the Asia-Pacific remains firmly nested within the general policy of both Democratic and Republican administrations since the end of the Korean War. Even as the United States pursues wars in Afghanistan and Iraq, Bush administration officials have repeatedly reassured Asian nations that the United States had not forgotten its interests and defense responsibilities. Numerous U.S. pronouncements make plain the U.S. intention to stay engaged in the region because it is in America's interests to do so. This continuity of purpose and commitment lies at the heart of U.S. policy.

The Bush administration has been preserving, or perhaps more accurately, sustaining the equilibrium of the past 50 years. The Defense Department has been quite specific about the importance of maintaining the U.S. military presence in East Asia. It has also increasingly relied upon an ad hoc "coalition of the willing" approach to deal with regional and global security challenges, in which, according to former Secretary of Defense Donald Rumsfeld, "the mission defines the coalition, not the other way around." Examples of such coalitions include the Proliferation Security Initiative (PSI) and Six-Party Talks. The 2004 tsunami relief effort provides another example, one in which the interoperability that exists between the United States and its Asia-Pacific allies and partners helped facilitate a smooth, swift, effective response.

For the past five years, the Bush administration has also been working with Japan and South Korea to "transform" the U.S. military posture in those countries so that the U.S. military is better positioned to meet the challenges of the 21st century. The objective for the Korea transformation is to break the Cold War model of U.S. soldiers stationed along the demilitarized zone as a so-called trip wire, while making the U.S. presence in Korea closer to the Japan template in terms of the relative freedom of use of U.S. forces on regional missions that are not directly related to the defense of Korea. Senior U.S. commanders in Korea have recognized ROK military strength and ability to act as the first line of defense against a potential North Korean invasion, and as a result have agreed to shift operational control of Korea's own forces dedicated to the defense of South Korea to the Korean military in 2012.

Just as changes in Korea are resulting in a reduction of U.S. ground force strength, base changes in Japan are also scheduled to take place. This subset of activities is called the Defense Policy Review Initiative. The objective of these discussions is not to break a Cold War mold, but rather to strengthen the U.S.-Japan alliance by reducing the U.S. presence in areas that do, or could, cause friction with the citizens of Japan and result in anti-alliance sentiment among the public. The details of implementation were approved in Washington on May 1, 2006. A centerpiece of the plan is a dramatic reduction of the Marine Corps presence in Okinawa by relocating some 8,000 Marines and approximately 9,000 dependents to Guam by 2014 — which removes them from Okinawa but keeps them in the region — while relocating many of the remaining Marine Corps facilities in Okinawa north, out of the congested southern portion of the island.

Meanwhile, the Department of Defense continues to pay close attention to China's improving military, noting in the 2006 Quadrennial Defense Review that "China has the greatest potential to compete militarily with the United States and field disruptive technologies that could over time offset traditional U.S. military advantages." More broadly, despite repeated concerns that the international community has limited knowledge of the motivations, decision making, and key capabilities supporting China's military modernization,

the overall strategic objective remains to integrate China into East Asia and the global community as a constructive partner and responsible stakeholder. This is a long-term prospect that will remain the "work of a generation."

As China's capabilities improve, so too have U.S. capabilities in the region. The United States is intent on maintaining the current advantages that allow it to shape China's strategic choices and deter any potential aggression. As Thomas J. Christensen, former Deputy Assistant Secretary for East Asian and Pacific Affairs, noted, U.S. officials believe a "strong U.S. presence in Asia, backed by regional alliances and security partnerships, combined with a robust policy of diplomatic engagement, will help maximize the chance that China will make the right choices moving forward." This "shaping" must be done transparently and in the context of a broader Asia-Pacific strategy that reassures allies and friends of Washington's continued commitment to the region.

The United States and the Asia-Pacific Region:
Security Strategy for the Obama Administration

"Whether accurate or not, a number of our closest allies and friends across the region have come to see the United States as preoccupied with the global war on terrorism and regionally with a tunnel vision focus on Iraq, Afghanistan, Iran, and the greater Middle East."

CHAPTER III:
STRATEGIC IMPERATIVES GUIDING U.S. ASIA-PACIFIC STRATEGY

If the United States is to effectively protect and promote its national security interests in the Asia-Pacific region in the face of major geopolitical changes and trends, the following strategic imperatives should guide the evolution of U.S. policy: develop a statement of purpose and vision for the U.S. role in the region, which reaffirms U.S. leadership and commitment to restoring moral authority; reaffirm and reinvigorate the network of U.S. alliances which continue to serve as the foundation upon which a broader strategy must be built; maintain strategic equilibrium while integrating rising powers in ways compatible with U.S. interests; retard the proliferation of WMD; and actively participate in the region's multilateral economic, political, and security structures to address both traditional and non-traditional security challenges.

DEVELOP A CLEAR VISION AND STATEMENT OF PURPOSE

The ability of the United States to protect and advance its interests will depend significantly on the reassertion of active leadership and engagement from the Obama administration. Whether accurate or not, a number of our closest allies and friends across the region have come to see the United States as preoccupied with the global war on terrorism and regionally with a tunnel vision focus on Iraq, Afghanistan, Iran, and the greater Middle East. The failure of the president and secretary of state to attend various regional meetings has been viewed as a barometer of U.S. lack of interest in the region, and often contrasted with the attention paid by China's leadership.

Not only will the Obama administration have to reassert active leadership and engagement, it will also have to reaffirm U.S. commitment to the region and articulate a vision toward which its policies will be ordered. It would do well to reiterate the vision set out by Secretary of Defense Robert Gates in his remarks to the Shangri-La Dialogue on May 31, 2008. In that speech, he defined the United States as "a Pacific nation with an enduring role in East Asia," one standing "for openness and against exclusivity" and committed to "mutual prosperity." Noting that American territory in the Pacific Ocean extended from the Aleutian Islands to Guam, Secretary Gates defined the United States as a "resident power" in the region. The vision statement should stress America's commitment to creating a stable regional environment that supports economic, political, and human development throughout the Asia-Pacific region.

PRESERVE AND REINVIGORATE U.S. ALLIANCES

The U.S. bilateral alliance structure remains the foundation of regional stability and prosperity and the starting point for U.S. security engagement with the region. The alliances allow the United States to maintain a significant forward-deployed presence in the region, and the basing structure in Japan and South Korea, reinforced by access agreements with non-allied Asian friends, makes credible the U.S. security commitment to the region. Operating from bases in Asia, U.S. forces are able to extend their operational reach to the Indian Ocean and Persian Gulf. It is noteworthy to recall that the first U.S. forces to reach the Persian Gulf in 1991 and in Operation Iraqi Freedom in 2003 were based in Japan.

As instruments of national policy, alliances are dynamic elements that are in a constant process of evolution, adjusting roles, missions, and capabilities to adapt to an ever-changing international environment. The terrorist attacks of September 11, 2001 and the subsequent U.S.-led global war on terrorism accelerated the transformation of the Asian alliances.

One can debate, if we were starting from zero today, whether the current alliance system would form the base of a newly created strategy. But we are not starting from scratch. The alliances are already in place. Eliminating them or relegating them to a place of lesser significance could send a powerful (false) signal of reduced American interest and commitment to the Asia-Pacific region. The alliances remain the indispensable foundation upon which to build any future security strategy.

The Obama administration will inherit the ongoing process of alliance transformation. While there is a clear understanding of the strategic importance of moving forward on alliance initiatives that make sense for this century, among our alliance partners, there is a gap between strategic consensus and the actual implementation of on-the-ground changes in posture. While posture realignment issues are operational in nature, they are strategic in consequence and will be central to the political health of the alliances over the next decade.

As always, new challenges to international security will emerge over the coming decade. The political willingness of the United States to take on new challenges — while still engaged in two conflicts and a worldwide campaign against violent extremism, in addition to working its way out of the ongoing economic crisis — will be tested. This is likely to put even greater emphasis on cooperative approaches, such as the establishment of ad hoc coalitions of the willing. Largely unexamined is the impact such coalitions have on the traditional alliance network, especially if allies are among the unwilling.

The Obama administration will be asking more of its allies and friends, not only in terms of hard security contributions but also in terms of security broadly defined, such as post-conflict reconstruction and the development of the instruments of good governance. At a time when U.S. alliance partners and friends will also be facing budgetary constraints, the task of working out appropriate roles and missions will be a challenge alliance managers must be willing to tackle.

MAINTAIN STRATEGIC EQUILIBRIUM WHILE INTEGRATING RISING POWERS

China is rising, Japan is becoming more multidimensional in its involvement in the region and beyond, India is also rising and looking eastward, while Russia strains to reassert itself and regain some of the prestige and position lost with the collapse of the Soviet Union. Meanwhile the ROK in Northeast Asia and Indonesia in Southeast Asia are striving to make their own marks on the region while dealing with democratic growing pains. It is not in the U.S. interest to be seen as trying to disrupt or delay any of these trends and our ability to do so would be limited even if we were so inclined. However, the United States can and must develop a strategy that helps to manage these trends in a way that maintains the existing strategic equilibrium and does not threaten U.S. vital interests. The greatest challenge is posed by China's rise; the greatest opportunity is for Japan to play a more constructive role commensurate with its increased influence and 60 years of demonstrated cooperative behavior. Maximizing areas of cooperation with Beijing — both regionally and globally — should be a priority.

Integrating China

Over the three decades since Deng Xiaoping initiated China's market-opening reforms, successive administrations, Democratic and Republican alike, have pursued a broad and deep engagement strategy aimed at integrating a rising China into the existing international order. Today, China's booming economy and increasingly sophisticated diplomacy are transforming economic and political relationships across the Asia-Pacific region. Meanwhile, China's activism is reflected in its pursuit of FTAs, in its proposal for a China-ASEAN FTA, and by its active participation in the region's various multilateral structures and security dialogues.

At the same time, China's military power has increased significantly over the past decade, with double-digit increases in defense spending for over 20 years. This has allowed the People's Liberation Army (PLA) to accelerate its modernization program and acquire advanced weaponry. Much of this arsenal appears to be focused on deterring possible U.S. intervention in a Taiwan contingency, but elements also appear to enhance PLA capabilities to project beyond Taiwan into the broader Asia-Pacific region. The challenge China represents is thus multifaceted. The starting point for the Obama administration's approach to China should be an effort to internally define and specify what it considers to be China's legitimate interests in the Asia-Pacific region and how to manage and prepare for China's rise in a way that does not threaten historic U.S. interests.

"The starting point for the Obama administration's approach to China should be an effort to internally define and specify what it considers to be China's legitimate interests in the Asia-Pacific region and how to manage and prepare for China's rise in a way that does not threaten historic U.S. interests."

Promoting a more "normal" Japan

Japan is also "rising" in the sense that Tokyo is becoming more active in political and military/security affairs in and beyond the Asia-Pacific region as it strives to put World War Two behind it and become a more "normal" country. While China's economic shadow looms large, Japan remains the world's second largest economy (behind the United States) and is likely to retain this title for another decade. Washington continues to demonstrate that maintaining a close alliance relationship with Tokyo does not have to result in a zero-sum situation with Beijing. It is also in the U.S. interest to see further improvement in Sino-Japanese relations and to see Japan play a more active role in regional security as well as economic affairs.

The challenge for the United States will be to try to sustain some sense of equilibrium as China, Japan, India, Russia, South Korea, and Indonesia, among others, rise in power and prominence at their own pace and in their own manner, hopefully in ways that enhance — but at a minimum, do not seriously detract from — regional stability and the accomplishment of U.S. security objectives in the region.

STEM THE PROLIFERATION OF WMD

Developing a comprehensive plan to bring about a stable, secure, proliferation-free regional (and global) nuclear order is another strategic imperative of U.S. policy. The most immediate challenge in the Asia-Pacific region is North Korea. The challenge presented by Pyongyang's nuclear weapons and missile programs is two-fold: the first is the threat of a nuclear attack on U.S. territory or on the territory of U.S. allies in Northeast Asia; the second is the threat of proliferation.

The Obama administration will be the fifth to try its hand at denuclearizing North Korea. The efforts, dating back to the Reagan administration's attempts to persuade North Korea to sign the NPT and the 1989-1993 Bush administration's successful efforts to persuade North Korea to allow International Atomic Energy Agency inspectors to examine the operating records of the Yongbyon facility through the Clinton administration's Agreed Framework process, have been bilateral as well as multilateral in nature. The current Six-Party Talks have produced a multi-stage roadmap to denuclearization. Implementation, to the extent it proves possible, will fall to the Obama administration and is by no means assured.

To help address the issue of WMD proliferation, the Bush administration launched the Proliferation Security Initiative (PSI) in 2003. The PSI represents a multilateral effort to interdict and defeat WMD-related trade. In addition to deterring would-be aggressor states, PSI activities are also aimed at keeping nuclear weapons out of the hands of non-state actors who are attempting to exploit lax security, weak enforcement, and the occasional willing accomplice to secure access to materials, technologies, expertise, or the weapons themselves, and are conducting illicit operations within or transiting the sovereign territories of states in the region. States must take the responsibility to quash such activities and to develop the capacities to do so where they do not exist. Toward this end, the international community has agreed to implement UN Security Council resolution 1540 and, selectively, to participate in activities such as the Global Initiative to Combat Nuclear Terrorism.

ACTIVELY PARTICIPATE IN MULTILATERAL EFFORTS

The bilateral nature of its alliances should not be viewed as a constraint on U.S. multilateral engagement with the region. This should start with the trilateral security dialogues now taking root among the United States, Japan, and South Korea and among the United States, Australia, and Japan, which are focused on expanding the areas for alliance-based cooperation. A quadripartite strategic dialogue among the United States, Japan, Australia, and India has been under consideration but appears unlikely to materialize, due in part to concerns that it could appear as "anti-Chinese."

"Inclusivity should continue to guide, but not pre-determine, U.S. policy toward multilateralism."

America's alliances, often referred to as a "hub and spoke" architecture, should in the future be more appropriately seen as the "foundation pieces" for multilateral coordination with non-allies to deal with a myriad of non-traditional security issues confronting the region, ranging from disaster relief to climate change, from non-proliferation to containing the spread of infectious diseases. The habits of cooperation and coordination developed over the years within the alliances already provide the basis for initiatives aimed at dealing with issues of common concern. In the past the approach was ad hoc. But clearly there is a host of long-standing, region-wide issues that can only be solved through multi-state cooperation. Because of their enduring nature, some more formal and institutionalized multilateral organizations are going to be required.

Inclusivity should continue to guide, but not pre-determine, U.S. policy toward multilateralism. The United States need not participate in every multilateral initiative advanced in the region, but it should take advantage of opportunities to demonstrate U.S. commitment and engagement. Participation would in no way compromise the alliance structure but would instead reinforce it at the diplomatic level.

In short, the United States needs to lay out a vision for becoming more effectively and more proactively engaged in Asia in pursuit of its own national security interests and to preserve and promote regional peace and stability in a way that enhances American interests and those of our allies, partners, and friends. The next chapter outlines a number of steps that the Obama administration should undertake for America to lead change in the Pacific rather than merely react to a new order shaped by others. Chapter five addresses what Washington should seek from others who share our common goals.

FEBRUARY 2009

The United States and the Asia-Pacific Region:
Security Strategy for the Obama Administration

CHAPTER IV:
WHAT THE UNITED STATES SHOULD DO TO ADDRESS THESE IMPERATIVES

If in four or eight years America has only maintained and strengthened traditional bilateral alliances, American equities and strategic influence will have been put 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. America's failure to play an active role in shaping and guiding these institutions would be a mistake.

The Obama administration must recognize and address the strategic imperatives outlined in the previous chapter by reasserting its strategic presence; maintaining and reinvigorating its bilateral ties; articulating a realistic and pragmatic China policy that stresses its "responsible stakeholder" role; becoming more engaged in regional multilateral fora, including through more effective multilateral (and bilateral) cooperation on preventing WMD proliferation; through greater cooperation on addressing climate change, energy security, and other non-traditional security challenges that are both regional and global; and combating terrorism and extremism by focusing on "winning hearts and minds" through a more effective combination of hard and soft power and public diplomacy. This will require the next administration to reexamine the nature of American military engagement in the region while broadening its security agenda and promoting open and free trade in a bipartisan manner.

REASSERT STRATEGIC PRESENCE

Asian concerns about Washington's focus on and engagement with the region are long-standing. Our friends, partners, and especially our allies — sometimes almost desperately — need to be reassured of America's continued commitment; many are concerned (in our view needlessly) about a possible permanent shift in America's focus away from Asia. Clarity should come immediately, with strong presidential statements and authoritative government reports that emphasize Asia's permanent 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 new vision for a region that is as integral to U.S. wellbeing as is Europe.

Washington must ensure that the region perceives U.S. military capability as viable in the face of China's military improvements, while avoiding the perception that the United States is trying to contain China or compelling others to "take sides." But military power alone will not ensure America's continued constructive or positive engagement. The United States needs to create and articulate a more forward-leaning vision for the Asia-Pacific region and its role in it that employs all the tools in its arsenal — military, political, economic, cultural, etc. — in an effective combination of its hard and soft power (what Richard Armitage and Joseph Nye have called "smart power"). It must understand and address the rising expectations and apprehensions of its allies, partners, friends, and potential adversaries or competitors alike. A new Asia-Pacific Strategy Report would be an important vehicle for helping to accomplish this task.

Actions must match words: attendance is mandatory! President Obama 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 invaluable authority and power and is capable of reorienting the direction of bureaucracies and policy. Setting the tone early on will be important 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 with Asians.

In this regard, the secretary of state should make it standard operating procedure that a senior American official — assistant secretary or higher — is present at every important meeting to which we are invited. Furthermore, the secretary of state should attend all ministerial-level meetings and dialogues that are of strategic concern to the United States. This would help counter perceptions in Asia that America is uninterested; it would also build confidence that America remains, and is intent on remaining, a Pacific power.

Consideration should also be given to more frequent and effective use of special envoys to deal with pressing issues. One case in point centers on the continuing need for a senior negotiator for the Six-Party Talks. This task should be assigned to a senior special envoy for North Korean affairs who reports directly to the National Security Advisor and coordinates closely with the Department of State. In addition to demonstrating presidential commitment to the denuclearization process, this will also help to avoid the assistant secretary of state for East Asian and Pacific affairs becoming the de facto assistant secretary for North Korea, as has all too frequently been the case in the recent past.

MAINTAIN STRONG BILATERAL TIES

America's bilateral alliances should remain the foundation for its engagement in the Asia-Pacific; they remain indispensable to managing traditional security challenges and foundational to dealing with new non-traditional security issues.

The Bush administration enhanced American bilateral alliances in the Asia-Pacific region and helped spark new partnerships with countries like India and Vietnam. These successes set the stage for strategic progress that can be achieved beyond traditional security challenges. But territorial disputes persist, militaries are being built, and historical animosities threaten progress at every step. America's alliances are a calming constant in a sea of change.

In particular, the United States should endeavor to be more transparent and minimize surprises, especially in regard to its negotiating posture with North Korea. The foundation for strong bilateral relations must be constant, open, and genuine consultation with our friends and partners, and especially with our formal security allies in the region.

Japan

The U.S.-Japan alliance is the foundation for American engagement in the Asia-Pacific. Washington should also do its part to solidify this important relationship by reaffirming its role as a security guarantor. The administration must act quickly to determine the fate of F-22A sales to Japan. The president and his national security team should decide early on if it wants to lobby Congress to lift the Obey amendment, which restricts sales of the platform to foreign governments, keeping in mind that maintaining an equitable balance of power in the region requires that America provide its allies with the necessary platforms and components to maintain a robust deterrent capability. If the decision is made to sell F-22s to any ally, Japan should be among the first in line.

Cooperation on ballistic missile defense should proceed as planned. Furthermore, the relocation and realignment of U.S. forces from Japan to Guam should continue, but with greater emphasis on expediting the lackluster progress of relocation (including questions associated with the Futenma Replacement Facility). The United States must make clear its expectations for cost sharing to avoid a repeat of the 1990s, when tactical issues related to relocation of U.S. forces inhibited strategic engagement. This will be a delicate task, but one that the next assistant secretary of defense for Asia-Pacific must address early in the administration.

"Tokyo and Washington should consider a new joint security statement that moves beyond the 1996 accord toward a more forward-looking horizon for security cooperation."

Many of the challenges that have confronted the alliance over 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 perhaps a new joint security declaration to celebrate the alliance's 50th anniversary next year will help manage expectations and reduce friction within the alliance. (So too would following through on earlier declarations like the February 2005 Joint Statement.) Keeping channels of communication open and engaging in prior consultation on important strategic issues will continue to be a key element in enhancing alliance-based cooperation.

The United States must broaden and deepen the purpose of its cooperation with Japan. Tokyo and Washington should consider a new joint security statement that moves beyond the 1996 accord toward a more forward-looking horizon for security cooperation. Even as security-based cooperation will prove more important in the coming years, America must recognize the utility of the alliance for dealing with other non-traditional issues such as climate change and energy security, and should enhance this type of issue-based cooperation. Japan is already a global player in these arenas, and has tremendous clout and credibility in shaping discussions and international policy. Moreover, Japan is also a world leader in renewable technologies and could help facilitate an American transition to a more carbon-neutral society. Efforts to promote new collaboration 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. Washington must also be clear, and realistic, in outlining its expectations or aspirations regarding Japan's participation in extra-regional security initiatives. An important early signal of the degree of importance the Obama administration places on its relationship with Japan will come from whoever is named as the next U.S. Ambassador to Tokyo — a well-respected, broadly admired senior U.S. statesman and former high government official would be an obvious choice.

The Republic of Korea

The U.S.-ROK alliance is one of the most integrated and capable military-based alliances in the world. Unfortunately, bilateral challenges, largely but not exclusively over North Korea policy, have called into question Seoul's and Washington's commitment to the alliance and whether they share the same visions for the alliance as political relationships on the Peninsula evolve. While they clearly do share a long-term vision for a reunited Korean nation, strategic dialogue is essential so that both sides can better appreciate the implications of the various scenarios that could lead to that result.

U.S. national interests include the peaceful unification of Korea on terms mutually agreeable to Koreans. The Obama administration should work within the ROK-U.S. alliance and with other appropriate powers to achieve this goal over time, mindful of the importance of a non-nuclear armed Korean Peninsula, inter-Korea reconciliation, and the normalization of U.S.-DPRK relations as circumstances warrant.

American policy makers must reaffirm the importance of the alliance and propose new strategic guidelines to enhance bilateral cooperation and relations both on and off the Korean Peninsula. Many of the present challenges facing the alliance are due to misperceptions and poor communication. Establishing a formal strategic dialogue will be an important step to help clarify intentions and deal with concerns. A clear reaffirmation of America's nuclear commitment — and of U.S. determination to eliminate North Korea's nuclear weapons — will help allay fears in South Korea of alliance erosion or of Washington's perceived over-eagerness to compromise with North Korea, potentially at Seoul's expense.

The time to articulate a new vision for a 21st century alliance is now. The U.S. and Korean publics need to understand why the alliance is important today, and why it will continue to be important in the future. The current administration in Seoul regards the alliance as central to long-term ROK security, and is predisposed to work with the Obama administration to solidify and expand areas of bilateral cooperation.

This vision should encompass alliance-based cooperation in non-traditional issues like humanitarian relief operations, which will likely increase in frequency and complexity in the coming years; development of joint technological solutions to

problems such as global climate change and fossil fuel; and increasing cooperation in nation-state reconstruction efforts.

Finally, ratification of the KORUS will also be an important step in broadening alliance-based cooperation. This agreement, negotiated in good faith, is the most important trade agreement since NAFTA. Its failure risks major setbacks to the future of the alliance. The Obama administration must therefore allocate the appropriate political capital to ensure passage of the agreement.

Australia

Australia has consistently supported U.S. efforts to enhance regional stability and security; it remains 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 of times. However, managing this relationship in the near term has proven increasingly difficult, as domestic politics in Australia have become more critical of America's role in the world. Australia is moving to establish better relations with other major regional powers, including China, Japan, and India. These relations will be different in character to its alliance with the United States, but highlight Canberra's interest in broadening its strategic options.

To address this challenge, American decision makers, diplomats, and officials cannot take Canberra for granted and must be sensitive to Australia's political and strategic interests. A strategic framework that balances and leverages America's and Australia's different strengths and weaknesses is required as we strive to develop our respective relationships with China in a way that does not challenge each other's interest or put stress on the alliance.

Washington needs to be more actively supportive of Canberra's (and Wellington's) efforts to promote stability and good governance in the South Pacific/Oceania. In doing so, the Obama administration will have to 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 citizens' vision of Australia in the international community. Its leading role in assuring peace and stability and promoting good governance in Melanesia is important for regional stability, and Washington should make sure its policies are in harmony with those of Canberra. Finally, Australia's leadership role on climate change can, and should, be harnessed to reach a more equitable mitigation-based agreement.

Southeast Asia

The United States has two formal security alliances in Southeast Asia (with the Philippines and Thailand) and one "virtual ally" (Singapore). These three special relationships must continue to be nurtured, even as Washington strives to enhance its ties more broadly with ASEAN and its individual members.

PHILIPPINES

The nature of the U.S.-Philippine alliance has shifted from a focus on traditional to non-traditional security challenges. Joint exercises and training between the Philippines and the United States are successful examples of joint counterinsurgency efforts. The largely advisory role of U.S. troops and the focused effort to provide extensive civic and humanitarian assistance have increased the domestic legitimacy of the exercises. These operations provide a basis for future alliance cooperation. First, quality training in joint operations will facilitate greater cooperation between the two countries in support of future engagements outside the Philippines. Second, as the Philippine insurgency is stabilized, an opportunity is created to build new cooperative programs, for example to improve maritime security in the tri-border region among the Philippines, Indonesia, and Malaysia.

The creation of the Security Engagement Board provides for collaboration on other types of non-traditional challenges, including maritime security,

drug trafficking, and human trafficking. The United States and the Philippines engage in small-scale cooperation in these areas, but there is an opportunity to expand these engagements with an even greater focus on capacity building. Continued expansion of military cooperation between Manila and Washington will not only improve domestic security for a valuable U.S. ally, but will also allow the Philippines to play a larger security role in the region.

THAILAND

Thailand remains a key U.S. ally in Southeast Asia, yet this alliance is often undervalued. Due to its geographic location at the heart of Southeast Asia and its maritime access, Thailand can play an important role in U.S. efforts to combat transnational security threats in the region. Joint military operations and non-traditional security cooperation, such as that conducted through the International Law Enforcement Academy, should be strengthened and further expanded. As recent events have illustrated, Thailand's democratic institutions are imperfect and vulnerable. It is very much in America's interest to make every effort to help Thailand work its way through this period of domestic instability. These efforts should include the promotion of good governance, capacity building, and advisory assistance if requested by Bangkok to deal with its insurgency along the Thai-Malaysia border.

"While there are still limits to just how broadly or deeply Jakarta can cooperate with Washington, more can be done in the areas of capacity building, promoting democracy and good governance, and assistance in addressing radicalism and violent extremism."

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, particularly since September 11, 2001. As counterterrorism and maritime security became the primary U.S. security concerns in this area, Singapore became the most helpful partner in Southeast Asia.

Singapore's strategic insight provides a refined and nuanced understanding of Asia that is useful in supporting American strategic interests (particularly in relation to maintaining the free flow of commerce and counterterrorism efforts). American policy makers should continue to take advantage of the resources, assets, and insights Singapore offers by enhancing bilateral engagement.

The 2004 Strategic Framework Agreement elevated cooperation in the areas of both traditional and non-traditional issues, including terrorism and the proliferation of WMD. Continuing to build upon this strong foundation is a very important priority for the Obama administration, while keeping in mind that close consultation with other friends in the region is also important.

INDONESIA

The U.S.-Indonesian relationship is one of the most important in Southeast Asia. Indonesia is a natural leader in the region and is beginning to reassert its leadership following a decade of political instability and uncertainty. It has become one of Asia's most vibrant and important democracies. It also serves as a model for how Islam and

democracy can not only coexist but thrive. While there are still limits to just how broadly or deeply Jakarta can cooperate with Washington, more can be done in the areas of capacity building, promoting democracy and good governance, and assistance in addressing radicalism and violent extremism. Indonesia has also provided a good example of how the combination of political will and sophisticated counterinsurgency tactics can successfully address terrorism.

The Obama administration has a unique opportunity to engage Indonesia in an unprecedented way because of President Obama's youthful experience in the country. This background is well known in Indonesia and has generated a great deal of popular enthusiasm for him in particular, and for America in general. This opens new possibilities, but only if Washington seizes the opportunity through new policy initiatives.

ASEAN

The recent appointment of an American ambassador to ASEAN is an important step in advancing U.S. ties to this vital regional organization, although his/her mandate still needs to be more clearly defined. More needs to be done, however, to remedy the growing imbalance between Chinese engagement and perceived American disengagement. Though traditional balance of power approaches will tempt American policy makers 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, not a zero-sum mentality.

The Obama administration should spend the necessary time and energy recalibrating U.S. relations with Southeast Asia through ASEAN and its associated vehicles; a little effort and attention can go a long way here. It should build upon (rather than crush) the belief in Southeast Asia that President Obama will be favorably disposed toward the region because of his Indonesian experience. The Obama administration should seek to restore confidence among its Southeast Asian friends and allies that Washington maintains interest in the rise of prosperity and democracy in the region. America should also facilitate and help ASEAN partners encourage positive change in countries like Burma, where the government's promotion of a roadmap toward "democracy" gives us a common yardstick with which to measure (and insist upon) progress.

Southeast Asia will also play a determinative role in America's ability to undermine violent jihadism. Since 9/11, the shared counterterrorism campaign in Southeast Asia, based on U.S. support for primarily Southeast Asian policies and distinguishing between international terrorism and insurgencies, has proven to be the most successful of all U.S. counterterrorism efforts worldwide. The United States cannot accomplish its goal without drawing on Asian experience, expertise, and assistance. Accordingly, the United States should endeavor to deepen and formalize broad counterterrorism cooperation with Southeast Asian friends. Many in Southeast Asia fear that Washington's approach to extremism relies too heavily on military means, while they prefer a more integrated law enforcement approach. As was demonstrated in the Philippines, achieving a balance between these approaches is feasible and can lead to success.

Finally, the issues of global climate change and environmental degradation provide an important arena for expanded U.S. engagement with Southeast Asia. These problems will be acutely felt in Southeast Asia. As these nations develop and urbanize, competition for both scarce resources and energy will increase. The United States should take the lead in building a cooperative framework to mitigate the consequences of these challenges, many of which are already playing out. Key to all these challenges are new and more innovative partnerships on everything from trade and alternative energy to military and security issues. It is not easy to see real progress without American engagement,

and the vehicles will have to include both bilateral and multilateral mechanisms.

TAIWAN

The United States should continue to encourage Taipei and Beijing to develop a broad range of mutually beneficial cross-Strait relations and to maintain a peaceful status quo across the Straits until a mutually acceptable settlement can be reached at some point in the future. Creative U.S. diplomatic skill backed by military muscle will continue to be necessary to make certain that China's growing military power does not tempt Beijing into a more coercive course toward Taiwan. Meanwhile, Washington should support Taiwan's efforts to participate in the international community as a member in fora that do not require statehood and in other appropriate ways where statehood is required. Helping Taiwan to gain more "international space" will help to preserve cross-Strait stability by illustrating that President Ma Ying-jeou's moderate approach to cross-Strait relations can bring beneficial results.

"The most sensitive issue for the United States in the months ahead may well be the question of arms sales to Taiwan and other security relationships with the island."

Preserving peace and stability in the Taiwan Strait is a principal American interest, and fostering more productive cross-Strait relations and the reduction of tensions between Taiwan and the Mainland is the chief means of achieving that goal. Given the political sensitivities within Taiwan over such questions, Washington should not seek to impose a particular approach. But it should make clear to all concerned that, contrary to suspicions in both Taiwan and the Mainland that the United States is displeased by the current trend of events, the United States in fact supports the general thrust of the Ma administration's cross-Strait policy. President Obama's various statements about Taiwan in recent months are fully consistent with this approach.

If there is an American concern at this point, it is that the Mainland will respond too timidly and too slowly to some of the non-economic items on the agenda that are crucial to generating a domestic consensus in Taiwan that is necessary to allow Ma to continue to move forward. A specific case in point is the issue of Taiwan's aspiration for "observer" status at the World Health Assembly meeting in May 2009. Beijing is clearly wrestling with that issue and has indicated it is willing to show some flexibility. Whether PRC leaders fully understand the political salience of this issue in Taiwan, however, is not clear.

It is self-evident that a military "solution" to the Taiwan question is not acceptable to the United States, on the one hand, and, on the other hand, that political provocation in the direction of formal Taiwan independence is not either. But these are not front-burner concerns at this stage, and while the maintenance of U.S. forces in the Pacific will underwrite the first policy and support for cross-Strait reconciliation the second, it would ill serve the United States to place great stress on either point. In any case, U.S. views are well known, so focusing on them is not necessary.

The most sensitive issue for the United States in the months ahead may well be the question of arms sales to Taiwan and other security relationships with the island. U.S. policy is well established under the Taiwan Relations Act to provide defensive equipment necessary to help Taiwan maintain an adequate self-defense capability. And this should continue. But we have seen in

recent months that such arms sales strike a sensitive chord in Beijing — as they have since the time of Normalization in 1979 — and so their management requires careful attention.

Taiwan's pending request for F-16C/D aircraft is the most delicate issue likely to arise in the foreseeable future. The wisdom of such a sale is hotly debated both in Taiwan and in the United States. The action that could defuse the issue would be meaningful steps by Beijing to reduce the military threat facing Taiwan, thus alleviating some of the pressure on Taipei to proceed with such a purchase. The problem of the aging Taiwan air force will still need to be addressed, but a reduction in the direct military confrontation could make other options appear more feasible.

The United States needs to continue to give support to Taiwan's economic development and democratization, both of which have achieved impressive gains but are still not fully mature. In this regard, assuming that the larger question of American willingness to enter into FTAs is resolved, the United States should be open to eventual negotiation of an economically meritorious FTA with Taiwan. In the meantime, vigorous implementation of a Trade and Investment Framework Agreement will go a considerable way to assisting Taiwan's economy — and the U.S. economy — even at this very bleak moment.

RUSSIA

Russia's resurgence in the international sphere has generated tremendous uncertainty. Russian actions reflect both Moscow's determination to reassert itself as an important strategic actor and increased national confidence due to economic growth and political stability. However, Russia's uneven set of international tools limits its ability to exert influence using conventional means, prompting Moscow to employ energy cutoffs and other destabilizing tactics (such as military intervention in Georgia) to pursue its regional goals. Washington must engage in high-level dialogue with Moscow on issues of strategic relevance. Russia can play an important role in denuclearization negotiations with North Korea because of its historical ties, and as a key interlocutor on energy security with China and India because of its vast resources. Washington should be more actively engaged with Moscow on a number of fronts, particularly as they relate to potential desires to enhance Russia's engagement in the Asia-Pacific.

INDIA

American policy makers are correctly devoting more time and attention to improving ties with India. India is one of the world's most important democracies and rising powers, and efforts to strengthen bilateral cooperation in the fields of counterterrorism, defense, counter-proliferation, and economics would help reinforce India's position in Asia. Equally important, Washington must acknowledge latent Indian anxieties during the process of building stronger relations with the United States. America must remain a patient partner with India while encouraging greater interaction across a broad range of issues and areas, such as commerce, energy, and environmental issues.

The Obama administration should build on the successes of the Clinton and Bush administrations' India policy and recognize India's versatility as a strategic partner and responsible stakeholder in its own right. India does not wish to be perceived in Washington as merely a hedge in the U.S. strategy toward a rising China. Indeed, India has made clear it will not be anyone's cat's-paw in dealing with China or any of its neighbors. New Delhi itself is seeking to balance new and important ties between Washington and Beijing. The successful passage of the U.S.-India civil nuclear agreement and India's decision to play a more responsible role in counter-proliferation efforts indicates a growing strategic convergence between Washington and New Delhi. This is an area to build upon.

Concluding Thoughts on Alliances and Expanded Partnerships

Getting Asia right will require maintaining policies that are working well, as well as a willingness to entertain new ideas. Americans must also recognize that the Asia-Pacific is now home to some of the most capable, constructive, and provocative strategists in the world. Asian leaders and strategists are ever more active on the world stage and are in the process of creating effective regional policy instruments. 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. Ultimately, there should be no question as to the importance and utility of America's alliance structures. But this foundation must be built upon, extended, and enlarged. Fresh thinking requires American policy makers and strategists to expand their interactions through a multiplicity of fora 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.

"Americans must also recognize that the Asia-Pacific is now home to some of the most capable, constructive, and provocative strategists in the world."

ARTICULATE A REALISTIC AND PRAGMATIC CHINA POLICY

The United States has practiced a policy of "engagement" toward China for over two decades — an approach based on commercial interaction designed to draw the world's most populous country into the global community of nations. However, the United States has hedged its bets by maintaining a robust military presence in the Asia-Pacific region. 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, as Washington will require China's good offices and diplomatic support in a broad and increasing array of challenging global issues.

For the United States, a realistic and pragmatic policy requires three steps. First, China's growing political and cultural influence in the Asia-Pacific should be accepted as a fact of life 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 cooperation and competition in the region. Nonetheless, the Obama administration must continue Washington's long-standing 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 investment in influence in the Asia-Pacific will require a much clearer focus on America's nonmilitary tools of soft 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 Obama administration.

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.

A clear and carefully constructed presidential statement on U.S.-China cooperation is needed. The past six administrations have proven that active presidential involvement in China policy is crucial to providing internal leadership and policy coherence in Washington. While there is an understandable tendency among new administrations to invent new catch phrases, consideration should be given to maintaining the "responsible stakeholder" phrase to underscore continuity in U.S.-China relations and to avoid extended speculation as to the real or hidden meanings of any new phrase aimed at sending the same message.

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 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; an offer to increase information sharing on military modernization and planning with China and other powers in the region, especially as regards maritime security issues and concerns; continued engagement in cabinet-level bilateral dialogue and cooperation on finance and trade-related issues, while still playing hardball with China when necessary on matters such as product safety and protection of intellectual property rights; and encouraging bilateral cooperation on climate change, energy security, and other overlapping areas of concern.

SUSTAIN MILITARY ENGAGEMENT AND FORWARD PRESENCE

Pentagon planners must balance long-standing commitments in Asia with current warfighting demands in the Middle East. Nonetheless, Washington should ensure that U.S. Pacific Command (PACOM) retains sufficient forces and resources to advance its critical objectives.

PACOM's Critical Objectives

- Protect the homeland
- Maintain a robust military capability
- Develop cooperative security arrangements
- Strengthen and expand relationships with allies and partners
- Reduce susceptibility to violent extremism
- Deter military aggression
- Deter adversaries from using weapons of mass destruction

The United States must maintain a 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. American military officers throughout Asia should also ensure clear strategic communication with their host-nation counterparts. The reality is that America's naval and air force footprint in the Asia-Pacific remains robust, while our ground forces will be optimized for the foreseeable future to assist in ongoing counterterrorism and counterinsurgency operations in Afghanistan. Washington will continue to ask more from its allies and friends in the region to ensure the successful completion of Operation Enduring Freedom.

The Pentagon can also enhance its military presence in the region by undertaking, together with allies and close friends, 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 the 2004 tsunami, the 2008 Burmese cyclone, and the Sichuan earthquake remind, natural disasters happen frequently in the region and the need for humanitarian assistance and disaster relief operations in the future can be safely predicted. An emphasis on capacity building creates both good will and more capable partners.

ENGAGE MORE ACTIVELY IN REGIONAL AND MULTILATERAL FORA

Within the region, a perceived lack of U.S. attention is often taken as a lack of U.S. interest. Fortunately, our values and presence remain largely enduring. However, failure to engage in Asian institutions may undermine many gains America has made in the past 50 years. As Asia grows and integrates, America should reciprocate by investing diplomatic capital and focus in the region.

This involves more than just showing up (although this is an essential first step). The Bush administration undertook a number of important multilateral initiatives, including the U.S.-ASEAN Enhanced Partnership and the proposed Free Trade Area of the Asia-Pacific; these need to be revalidated and then expanded upon. President Bush's decision to initiate regular meetings with the seven ASEAN heads of state who participate in the annual APEC Leaders' Meeting was another important initiative that should be continued. It was also his intention in 2007 to meet with all ten ASEAN leaders (with Burma represented by a lower-ranking official) in Singapore right after the APEC meeting in Sydney, but domestic difficulties caused him to cancel this side trip. Given that the 2009 APEC Leaders' Meeting will be in Singapore, the full U.S.-ASEAN Summit should be rescheduled (again with special allowances made for Burma).

"The United States also needs to end its 'wait and see' policy toward East Asia community building and more clearly articulate its support for the process in general and the East Asia Summit in particular."

The United States also needs to end its "wait and see" policy toward East Asia community building and more clearly articulate its support for the process in general and the East Asia Summit in particular. Reluctance to do so is broadly interpreted as U.S. indifference toward Southeast Asia or as additional evidence that preoccupation elsewhere has caused Southeast Asia to be increasingly overlooked. As a result, the Obama administration should reexamine the reasons put forth by its predecessor for not joining the EAS. The logistical excuse — it is impossible to schedule two Asia trips for the president each year — is particularly weak. First, not all APEC Leaders' Meetings are held in Asia and second, the EAS could be arranged to coincide with APEC or serve as a bookend for an annual Asia trip.

Regardless of a decision to join the EAS, Washington should consider acceding to the ASEAN Treaty of Amity and Cooperation (TAC). This would not undercut America's Asian alliances, as is often claimed; all five of Washington's Asia allies have signed with no perceptible impact on the alliance network. As a member of the ARF, Washington has already endorsed the purpose and principles of the TAC, and a simple side

letter could deal with its existing reservations. Washington must continue to underscore that its commitment to, and preference for, pan-Pacific institutions in which it participates does not indicate hostility or a lack of appreciation for pan-Asian multilateral efforts which, through building a sense of East Asia community, can help move the broader agenda forward.

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 in the region. It is therefore necessary, if not urgent, for Washington to work more actively toward rapprochement and better cooperation among 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 among Washington, Tokyo, and Beijing. It is in America's national security interest to ensure, and play a proactive role in, positive Sino-Japanese relations. 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. 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.

Furthermore, just as the United States has a profound interest in stable and predictable relations between Japan and China, it is just as important to Washington and for the future stability of the region that there be 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 talks is an equally high priority for the Obama administration, at both a heads of state and foreign ministers' level. Cooperative Japanese-Korean bilateral relations are important to the stability of Northeast Asia and must be constantly nurtured.

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 or appears aimed at containing China (regardless of its actual intent) is not in the interest of most Asia-Pacific nations. America's first priority should not be to establish a "league of democracies" in Asia, but to reset and rebalance our influence and strategic presence in the region, with good governance as a more mutually acceptable goal.

This does not mean that Washington should dismiss democracy promotion as a key element of its foreign policy. But America should repackage its democracy promotion efforts. Supporting more inclusive organizations is important to shaping regional interactions in Asia and offers opportunities for collaboration among democracies in that context, to support free and fair elections, for example. America, with the assistance of its friends and allies, should continue to encourage and persuade countries like North Korea and Burma (among others) to take steps to institute a culture more respectful of the rule of law and extend democratic rights to its citizens.

PREVENT NUCLEAR PROLIFERATION AND PROMOTE NUCLEAR STABILITY AND DISARMAMENT

To address rising nuclear concerns in Asia, the United States must continue to pursue a full-spectrum agenda. The United States should continue to promote stability among the major nuclear powers in Asia with the aim of averting the arms race that some in the region fear. Toward this end, it should pursue strategic dialogues with Russia, China, India, Japan, South Korea, and others that aim at building common perceptions of nuclear challenges, similar understandings of the requirements of stability, and cooperative approaches to force modernization that are minimally disruptive to stability. It should seek a new arms control agreement with Russia that safeguards continued nuclear reductions and holds out the promise of future participation by other states. It should also posture its strategic forces, broadly defined, to dissuade potential new forms of competition by Russia and/or China that could be broadly destabilizing. It must also seriously examine proposals aimed at eventual global disarmament, recognizing that a failure to be seen as taking its own Article VI obligations seriously undercuts Washington's efforts to deal with more immediate proliferation concerns.

Washington should continue to promote a vigorous and effective non-proliferation regime and treaty implementation in the Asia-Pacific. Toward this end, it should promote a successful NPT review conference in 2010 as well as measured but effective steps in dealing with specific proliferation challenges, for example in North Korea. Working with the other nuclear weapons states and its allies, among others, the United States should continue to explore the conditions under which eventual nuclear abolition might become possible. Without some commitment to the long-term goal of nuclear disarmament, it remains difficult to build international consensus on dealing with the more immediate proliferation challenge.

Korean Peninsula denuclearization remains a critical objective and the Six-Party Talks remain the best vehicle for accomplishing this goal. While direct bilateral dialogue between Washington and Pyongyang remains a key part of this process, this must be conducted in a manner that is transparent to and supported by the other parties in the process.

"Working with the other nuclear weapons states and its allies, among others, the United States should continue to explore the conditions under which eventual nuclear abolition might become possible."

Washington should also find ways to support and endorse the Southeast Asia Nuclear Weapons Free Zone and encourage a follow-on initiative, currently being promoted by the track two Council for Security Cooperation in the Asia-Pacific, to develop a companion Southeast Asia Reprocessing and Enrichment Free Zone as an important step toward closing a major loophole in the NPT regime. This is especially critical as a number of states in Southeast Asia seriously contemplate the use of nuclear energy.

The Obama administration must also continue to provide extended deterrence guarantees to Japan and South Korea. Their reassurance is essential for a stable nuclear order in Asia and a credible U.S. guarantee is central to their assurance. The United States should continue to work with allies to sensibly integrate missile defenses into the overall deterrent posture, as part of its commitment to reduce reliance on nuclear weapons.

For non-proliferation efforts to work, the United States must continue to encourage the international community to hold nations accountable for their failures to fully implement their anti-proliferation commitments, including but not limited to strict observance of UN Security Council Resolution 1540. Any government that knowingly transfers nuclear weapons to a non-state group or allows its territory or other assets to be used by terrorists to prepare acts of terror, including especially nuclear terror, must be held directly accountable.

The Obama administration should signal early on that it will continue its efforts under the PSI, to prevent WMD proliferation, while assuring that PSI operations will continue to be conducted strictly in accordance with international law. It should also signal its support for a Fissile Material Cut-Off Treaty early in its term.

While there is a tendency to equate WMD with nuclear weapons, non-proliferation efforts must address chemical, biological, and other radiological weapons as well. Accordingly, states must continue to cooperate in the context of treaty regimes (such as the NPT, Chemical Weapons Convention, and Biological Weapons Convention) to eliminate existing arsenals and to prevent the emergence of new ones. Washington must also recognize and address the security needs of those with legitimate concerns and provide assurance to those who depend on external guarantors for their security.

COUNTER RADICAL ISLAM

Southeast Asians rarely cite Islamic extremism as a serious threat to peace and stability. They are accustomed to accommodating a wide range of religious views in their communities and recognize that religious fundamentalism does not normally find expression in violent behavior. When it does, Southeast Asian governments have responded. Muslim-majority states in particular have succeeded in identifying, pursuing, and detaining suspects in violent attacks and subjecting them to criminal prosecution.

From the U.S. perspective, Islamic extremism presents both a political and a security problem. The political problem arises when, as a consequence of American policy in the Middle East and South Asia, religious leaders co-mingle a conservative interpretation of Islam with anti-Americanism. This produces pressures on friendly governments to oppose U.S. initiatives and activities. Fundamentalists in Muslim-majority states frequently pursue domestic objectives, such as the establishment of sharia law which, depending on how enacted, could set back progress toward democratic pluralism in these states.

The security problem occurs when extremist networks or individuals commit terrorist acts against U.S. or other citizens, property, or institutions. Dealing with this threat becomes more difficult if terrorists have access to ungoverned territories that can serve as safe havens, or when they acquire the potential to disrupt international commerce. In Indonesia, homegrown terrorists are now isolated, but given their historic ties to al Qaeda, still require vigilance. In states with restive Muslim minorities (Philippines and Thailand), the United States should offer assistance to ensure that separatist movements do not morph into anti-American terrorists.

American policy should distinguish between Muslims who practice a non-violent version of Islam and extremists who employ terrorism to advance their interests and punish their enemies. It is unlikely that we will change the political views of dedicated Islamic extremists. However, U.S. policy can mitigate their political influence by encouraging moderates where they exist in the political ranks and, more prominently, in the larger society. An "Alliance for Progress" of sorts between the West and moderate Islamic world is needed, employing public diplomacy, political support, and developmental assistance to establish such bonds and to counter disinformation and deceit. U.S. approaches should include encouraging inter-faith dialogue, promoting social and cultural exchanges, improving public education (especially at the K–6 level), supporting state-sponsored social services as an alternative to services provided by religious groups, and providing media resources to advocate democratic pluralism as essential to nation building. Working through U.S. non-government organizations and local civil society groups offers the best chance of success.

Our response to terrorists should continue to focus on quietly helping friends to combat violent groups and their enablers by providing intelligence and law enforcement assistance, developing regional information sharing technologies and networks, strengthening legal systems (including investigative, prosecutorial, judicial, and correctional skills), and equipping and training counterterrorism forces. In order to cooperate effectively in this sensitive area, political leaders in the new U.S. administration will need to establish strong personal relationships with their Southeast Asian counterparts.

BROADEN THE U.S. AGENDA/ STRENGTHEN AMERICAN SOFT POWER

While America's military and diplomatic efforts are crucial to our engagement with Asia, American leaders must not overlook the myriad opportunities to broaden and deepen our engagement in the region. The United States should strive to create a stable regional environment that supports economic, political, and human development in the Asia-Pacific. This includes assistance in mitigating the impact of global economic problems, support for political and social development, and increased willingness to cooperate in addressing non-traditional security issues that threaten countries on both sides of the Pacific. U.S. efforts to work cooperatively with others in responding to regional issues such as piracy, terrorism, natural disasters, and infectious disease can safeguard both U.S. and Asian security and prosperity. The United States should pursue cooperation on these issues bilaterally and multilaterally, and be willing to support constructive regional initiatives as well as its own proposals.

"America's philosophy toward Asia should include efforts to help Asian nations increase their domestic capabilities and guide their own destinies. A narrow focus on security and major diplomatic issues will fall far short of this mark."

The recent Sichuan earthquake provided an excellent example of the opportunity and need for an expanded American engagement. 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. America can also provide expertise in elections and the rule of law. Similarly, the United States can provide assistance to rising democracies on issues such as anti-corruption practices and stewardship of natural resources.

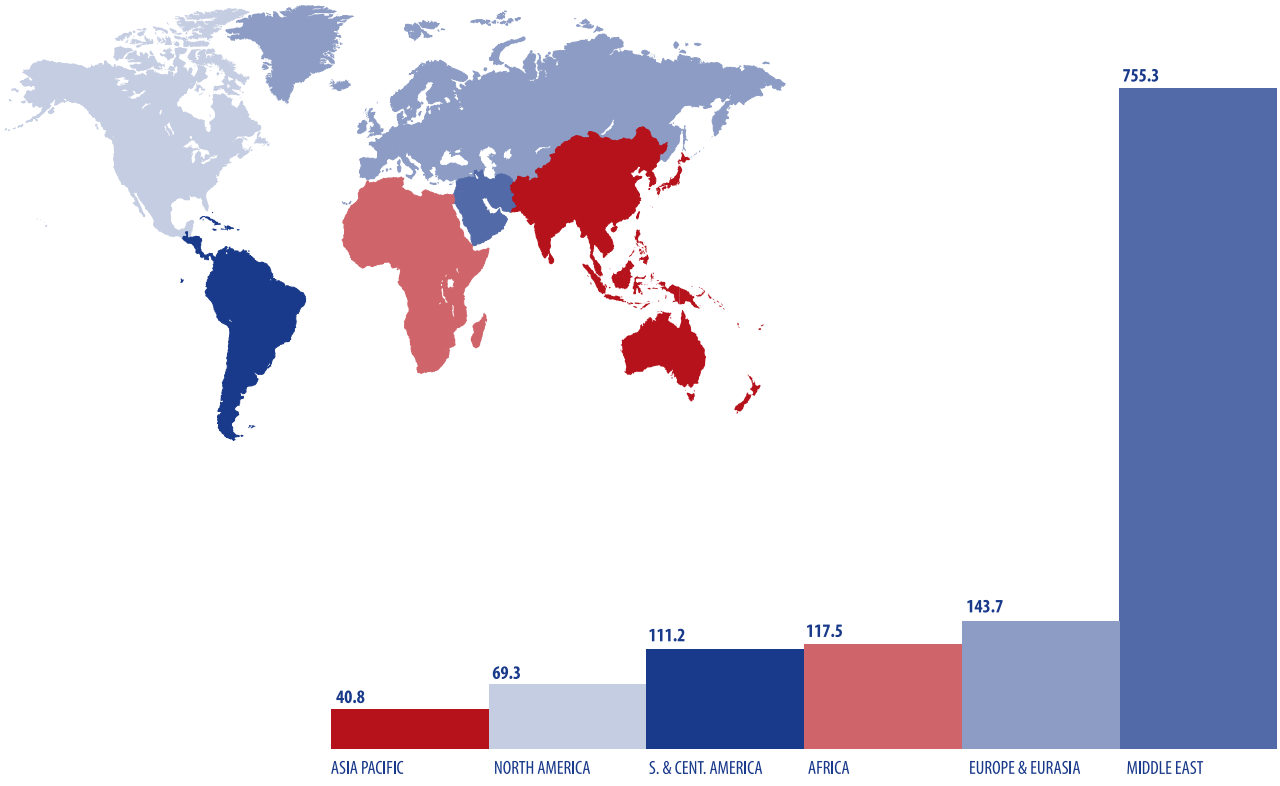
America's philosophy toward Asia should include efforts to help Asian nations increase their domestic capabilities and guide their own destinies. A narrow focus on security and major diplomatic issues will fall far short of this mark. The Defense Department (and/or State Department) can't do it all; Washington needs to use all the tools in its toolbox. 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 businessmen to Peace Corps volunteers, has not been seriously eroded. In fact, America may find that its greatest impact will come from the unglamorous tools of technical assistance in 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 and a means with which to rebuild American soft power. 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 fora to address shared challenges like environmental degradation — America can provide indispensable help to Asia and reclaim its moral authority.

COOPERATE ON NON-TRADITIONAL SECURITY CHALLENGES SUCH AS ENERGY SECURITY AND CLIMATE CHANGE

Cooperation on climate control goes well beyond the essential cooperation between the world's three largest polluters (the United States, China, and India). Climate change will pose tremendous consequences for stability, security, and growth throughout the Asia-Pacific region. Unless present trends are stemmed, scientists predict more extreme weather and rising sea levels. This scenario is particularly threatening to Asia. Much of Asia's new prosperity stems from investment in low-lying maritime zones, and the poorer island nations of the South Pacific risk losing significant amounts of territory. Meanwhile, from Shanghai to New Delhi, rapid industrialization and growth will continue to impress significant carbon footprints on the global environment. Climate change is a relatively new issue area for national security strategists, and should be appropriately integrated into policy decisions.

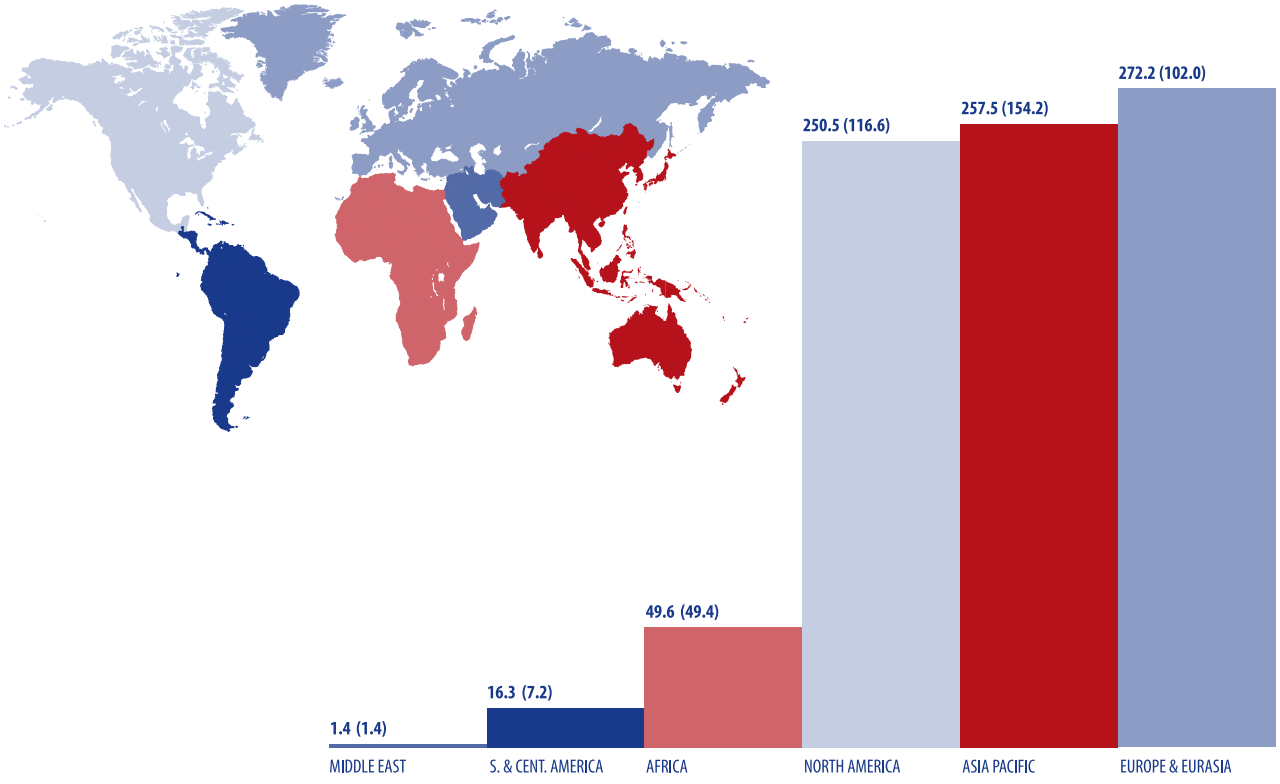
Washington should help facilitate multilateral cooperation — in particular, with China, India, Japan, South Korea, Singapore, and Indonesia — to

PROVED RESERVES AT END 2007
Thousand Million Barrels



Source: BP Statistical Review of World Energy

PROVED RESERVES AT END 2007
Thousand Million Tonnes (Anthracite and Bituminous Coal Shown in Brackets)



Source: BP Statistical Review of World Energy

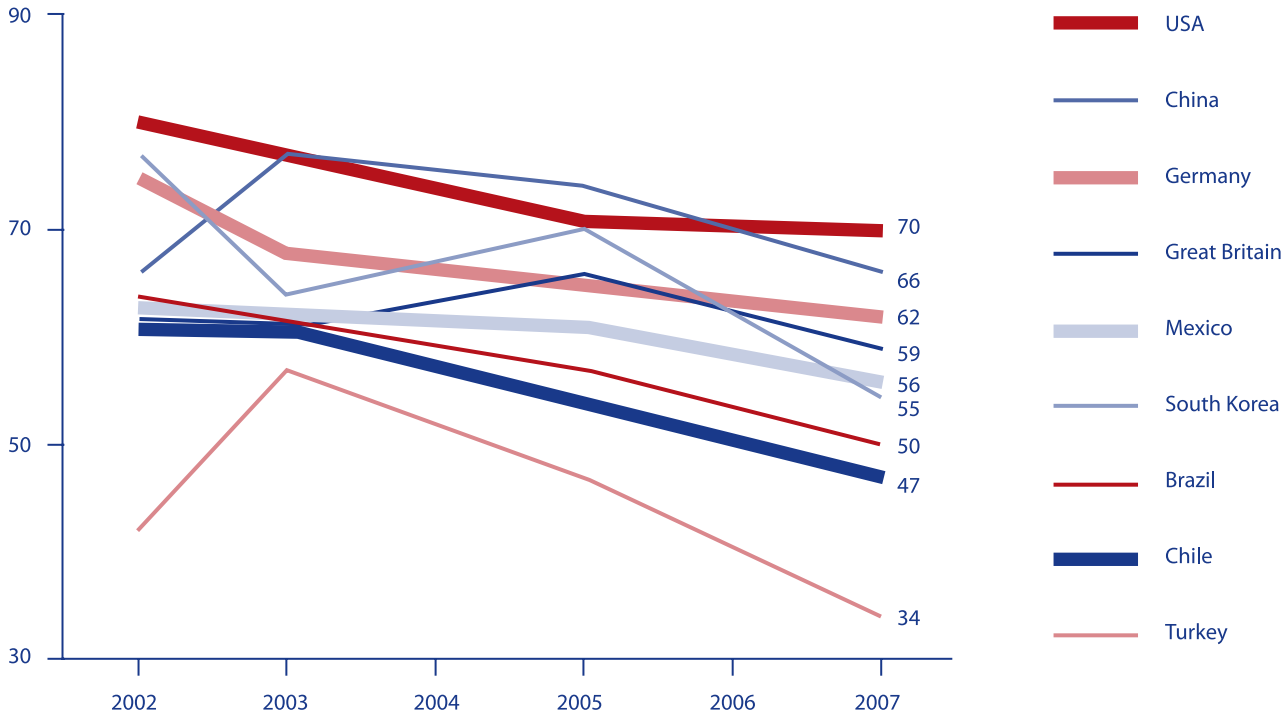
cooperate and manage the consequences of climate change. Reducing demand and dependence on carbon fuels is key to mitigating carbon output. Moreover, Asia, driven in large parts by China and India, will consume significant quantities of hydrocarbon resources to meet their growing energy needs. Competition over these scarce resources could endanger peace, incite conflict, and destabilize the entire region. Proactive steps to mitigate energy insecurity, such as encouraging investment in green and carbon sequestration technologies, should be a foundation for America's engagement on climate change in the region. Washington should also support current UN activity, jumpstarting an international carbon cap-and-trade system, enhancing transfers of carbon sequestration technology (particularly to India and China), instituting a focus on energy conservation, and expanding investments in forestation efforts in Southeast Asia. Support to broad multilateral efforts will also require separate and intense discussions with China and India if we are to have any success in managing the consequences of climate change.

Finally, President Obama should make it a top priority to establish a multilateral head-of-state dialogue on energy security and climate change in Asia. Establishing a framework for coordination and collaboration is vital if these complex challenges are to be successfully addressed. Moreover, in dealing with these challenges it will be increasingly important for America to accept that there are other stakeholders in the world that are capable of managing global challenges. America will continue to play an important role in the region but its influence and prosperity will be best served by cooperating with our Asian friends and allies. Failure to persuade America's Asian friends to balance industrialization with ecological responsibility will prove disastrous.

PROMOTE OPEN AND FREE TRADE

Free trade and open markets are key pillars of stability and security in the Asia-Pacific. Bowing to protectionist sentiments not only risks upending American consumers' access to affordable products but also undercuts U.S. leadership and credibility. While candidate Obama expressed reservations about the Korea-U.S. FTA, President Obama must find a way of seeing this trade pact to fruition for the sake of the alliance and for America's own economic and political benefit and credibility. The Obama administration should expend the necessary political capital to ensure the successful ratification of KORUS. Failure to ratify the agreement risks damaging bilateral relations with South Korea; it also sends a negative signal about America's enthusiasm for free trade in Asia and subjects Washington to the charge of "double standards." In the meantime, America should also encourage Asian governments to continue expanding FTAs and similar frameworks that stimulate economic growth.

FREE MARKET ECONOMY IS BEST MODEL FOR WORLD
"Strongly" and "Somewhat Agree," Decreases: 2002–2007



Domestic decisions made to deal with domestic economic difficulties can and usually do have international implications. Greater transparency and consultation are needed, based on the recognition that global (and not just domestic) cooperation is required to deal with the effects of the current economic crisis and to bring about a quicker recovery both domestically and internationally.

Finally, as noted earlier, the lead-up to the U.S. chairmanship of APEC in 2011 presents an opportunity for the United States to influence the future direction of regional trade agreements in a market-oriented direction. This is magnified by the fact that APEC 2009 and 2010 are hosted by Singapore and Japan respectively, allowing for a coordinated building block approach toward revitalizing this institution.

PROMOTE BIPARTISANSHIP

Bipartisan support for the policy of containment was important to America's (and the West's) victory during the Cold War, as it has been to the task of sustaining America's global network of alliances during and since that period. Yet bipartisanship has been conspicuously absent in recent foreign policy debates, and this divisiveness hampers the formulation and execution of American foreign policy. Given the magnitude of the issues that must be addressed, a concerted effort to rediscover common ground in American domestic politics (at least when it comes to foreign policy) is critical. The core of a bipartisan Asia policy already exists. Democratic and Republican administrations alike have endorsed U.S. Asia-Pacific alliances in general and the U.S.-Japan relationship in particular as the "foundation" upon which U.S. strategy must rest, a strategy which, since the mid-1970s, has also embraced a cooperative, constructive relationship with China. This should form the basis for a deeper and more comprehensive bipartisan Asia policy in the future. Failure to achieve and sustain a bipartisan consensus on Asia policy will hamper American engagement in the region.

"Given the magnitude of the issues that must be addressed, a concerted effort to rediscover common ground in American domestic politics (at least when it comes to foreign policy) is critical."

FEBRUARY 2009

The United States and the Asia-Pacific Region:
Security Strategy for the Obama Administration

CHAPTER V:
BUILDING MATURE PARTNERSHIPS: CLARIFYING EXPECTATIONS

Assuring a peaceful and prosperous Asia-Pacific region requires a concerted effort by all nations in the region; the United States is unable to guarantee regional security on its own. Increasingly, critical security threats and challenges are transnational in nature: America cannot produce the outcomes it seeks alone. Peace and prosperity depend on cooperation among the United States, its allies, partners, and other nations that share common interests and concerns. The U.S. mindset should be inclusive, not exclusive: working with nations enhances transparency, builds confidence and capabilities, and promotes the trust that is essential in times of crisis.

Critical to the success of any U.S. strategy toward East Asia — or anywhere in the world, for that matter — are clear and mutually understood expectations of the United States and its partners. Washington should be explicit regarding what is expected of friends and allies; those governments need to make equally clear their expectations of the United States. Failure by either party to know what is expected of it in a crisis will make an effective response much more difficult, if not impossible. Failure to meet those expectations could destroy an alliance.

Thus, it is desirable that America's partners, and especially its allies, produce national security strategies of their own. These documents would explain how each country sees the regional security environment, identifies and prioritizes threats, and — most significantly — explains its role within the region, its relationship with the United States, and the role that it envisions for the bilateral alliance. Such a document will not only guide decision makers in both capitals, but will also enhance transparency and encourage other governments to follow suit.

All such strategies should be authoritative; they should be promulgated and endorsed by the highest executive authority in each country. As such, they should be read and used as a guide to policy — not only within each country but by allies and partners as well. Creating and following such a strategy will help eliminate doubts, uncertainties, and misperceptions about foreign policy.

It is especially important that America's allies observe and fulfill the commitments they have already undertaken. Looking ahead is no excuse for ignoring previous obligations. As has been noted, the United States is modernizing its alliances and transforming its military presence in the region. It is essential that those processes be completed. That will, at times, entail considerable pain; if implementation of these agreements were easy, then the work would have been long completed. But alliances are being modernized to ensure that they are suited to a new security environment; domestic political difficulties do not make those realities any less compelling.

We now turn to a brief examination of what America's allies, partners, friends and others can do to promote peace and security in the Asia-Pacific.

ALLIES

Japan

As has been repeated throughout this report, the U.S.-Japan relationship remains the starting point for any assessment of U.S. engagement with Asia. Despite repeated assurances that the United States remains committed to the alliance and that Japanese fears of "passing" are unfounded, anxieties in Tokyo continue to rise. Enough! Our first recommendation for Japan is that it end the hand wringing and introspection and instead focus on the assets it can and should contribute to the alliance. One way to do that is to develop a national security strategy. As Japan charts novel political terrain, it is more important than ever that Tokyo articulate a vision for the country that commands a national consensus. Japan can be more creative in identifying ways it can contribute to the alliance and ensure that those contributions are commensurate with its capabilities and responsibilities.

"Japan is one of the greatest beneficiaries of a liberal trade order, but its efforts in defense of that order are not proportionate to those gains."

Implementing the realignment roadmap agreed and outlined in the May 2006 Security Consultative Committee joint statement is a high priority. Achieving this goal will require Tokyo to spend political capital, particularly to complete the move of Futenma Air Base and to provide the funds needed to relocate U.S. Marines to Guam. Burden sharing will become increasingly important as the United States wrestles with the impact of the financial crisis and the ensuing recession: Washington is not just looking to Tokyo to do its share, but to honor its promises. Trust is the glue of an alliance; failure to live up to previous commitments will erode the foundation of the partnership.

Another way to build trust is for Japan to enact an information security law that protects against the disclosure of intelligence. The lack of such a law inhibits U.S. willingness to share sensitive intelligence, a shortcoming that puts clear limits on the alliance.

Japan is encouraged to be more aggressive in the pursuit of regional initiatives in which it can play a leading role. There are many ways in which Japan can contribute to regional security outside a strictly military context, such as in promoting maritime safety and security, disaster relief and humanitarian assistance, development aid, or through national capacity-building in a broad array of fields ranging from export controls to product safety. Japan has particularly advanced capabilities in the fields of energy conservation and efficiency as well as "green" technologies and environmental protection. Japan should exploit its advantages in these areas to contribute to regional security as well as develop a higher regional profile. Reaching out to other nations, China and Korea in particular, to develop multilateral initiatives in these fields would pay large dividends. It is particularly important that ties between Seoul and Tokyo are mended and that trilateral cooperation such as that which existed under the Trilateral Coordination and Oversight Group collaboration on North Korea policy be restored.

Japan could also be more active in pushing for trade reform and liberalization. Japan is one of the greatest beneficiaries of a liberal trade order, but its efforts in defense of that order are not proportionate to those gains. Tokyo should be leading in the Doha Development Round and pushing for greater liberalization in Asia in its economic partnership

agreements. It could even reopen stalled Japan-Korea FTA talks, perhaps as a first step toward the development of a potential Northeast Asia FTA.

We endorse in principle all steps that broaden the base of the alliance and thicken the web of bilateral relations and thus urge Tokyo and Washington to carefully consider the benefits (and potential downsides) of a U.S.-Japan FTA (assuming KORUS goes forward). Any such agreement must be a substantive accord, however, and not mere window dressing; a trade agreement between our two countries should set a gold standard for other such deals. That would require both countries to tackle entrenched domestic interests, particularly their agriculture lobbies. Such an initiative should proceed only if both sides are fully prepared to spend the political capital necessary to see the FTA to fruition; an unmet promise is worse than no promise at all. This also does not preclude greater Japanese leadership either regionally or in the Doha Development Round.

South Korea

Korea's first two imperatives are the same as those of Japan: to articulate a vision for foreign and national security policy, and to implement the agreements with the United States that have already been reached. Successive governments in Seoul have tried to identify various roles for their nation within Asia and more broadly, but the content and meaning of those visions has never been clear. The result has been confusion and uncertainty about ROK priorities and relationships. A clear statement of Korean national interests and how it will protect them is the appropriate starting place for any assessment of the U.S.-ROK alliance and its future.

This is especially important as South Korea seeks and accepts more equality within the alliance. The government in Seoul must be prepared for all the dimensions of such change. The ROK will take a leading role in the country's defense, but the United States will continue to be a full partner and provide the defense capabilities that it can best deliver. Absent some unanticipated development, the transfer of wartime operational control will occur as planned. Both countries need to prepare for a decrease in the number of U.S. forces stationed in Korea and recognize the need for strategic flexibility that enables U.S. forces to fight enemies wherever they may be, as well as help to guarantee South Korea's security. While numbers may decline, there will be no diminution of the U.S. commitment to Korea's defense.

Amidst such change, the government in Seoul, now more than ever, needs to sell the alliance to its constituents. At times, the silent majority that backs the U.S.-ROK alliance has been paralyzed in the face of a vocal opposition. Such quiescence is dangerous, especially when North Korea ratchets up the threats. Convincing the citizens of South Korea of the value of the alliance and the sacrifices required by each side is an important bilateral task. (As argued in earlier chapters, the reverse is also true. The Obama administration must make convincing arguments to the American public of the wisdom of a continued strong ROK-U.S. alliance relationship, even post-reunification, and must exercise the ingenuity and political courage necessary to pass KORUS.)

Good relations with Japan and greater trilateral cooperation among the United States, Seoul, and Tokyo would maximize the potential of these three like-minded countries. Two issues seem ever ready to plunge the Korea-Japan relationship into the abyss: history and the disputed Tokdo/Takeshima islands. Inflammatory statements by Japanese politicians are usually responsible for the first problem; we urge Japan to stop such provocations. But it is Korean overreaction that inflames the dispute even further and keeps it burning. The image of violent Korean protests over territory Korea possesses and Japan cannot challenge does Seoul no good, and

in fact undermines its international credibility. A more measured and sober stand, and greater focus on long-term national interests — which should encourage greater cooperation with Japan, not the erection of more barriers to such collaboration — would serve Seoul's (and Tokyo's) interests.

Planning for North Korean contingencies is important. A crisis in the North would have a profound impact on South Korea and regional security. An effective response will require advance planning with the United States and China, as both will have important, albeit different, roles to play in a crisis. It is up to Seoul to take the initiative in both the planning and response.

Australia

The U.S. focus elsewhere in the world and its new financial constraints mean that Australia's attention to Pacific Island/Melanesian developments is a much-appreciated form of burden sharing. These island nations have experienced considerable instability and violence and Australian efforts to help restore calm are invaluable. While there are tensions in Canberra's relations with many of these countries, Australia should remain engaged and promote capacity building and good governance to help stabilize these societies.

Australian contributions to regional security and institutions are important and valued in Washington. After a rocky start, Canberra forged an effective partnership with Indonesia to help investigate the Bali bombings and bring the perpetrators to justice. That is one example of the not-inconsiderable contributions that Australia has made in this field. Australian engagement with regional organizations is particularly useful, not only to help build their capacity but to inculcate values and norms that align with those of the United States.

Regional engagement should be part of a broader strategy to engage with the United States and its allies and partners within the region and beyond. The trilateral dialogue among the United States, Australia, and Japan is one example of successful collaboration. This model should be expanded to other trilateral configurations, as well as quadrilateral and multilateral fora, because U.S. allies and partners have similar outlooks on problems and should be able to share strategic perspectives and practice cooperation in the event of a crisis without raising alarms. Australian participation can help facilitate such efforts as well as dampen concerns about the "real" intentions behind such initiatives. In this regard, Canberra needs to better describe Prime Minister Kevin Rudd's "Asia-Pacific Community" proposal and how it relates to the myriad of other current, emerging, and proposed institutions that threaten to clutter the multilateral landscape.

The Philippines and Thailand

The most important thing these two allies can do is tend to their own houses. Both countries have experienced political instability in recent years, and this has done great damage to the foundations of democracy in each. Unrest has also hurt public perceptions of the alliance in each country, since the United States is often seen as supporting the government, and thus appears complicit in its actions.

Both governments can deal more effectively with their insurgency problems, in Mindanao in the Philippines and in southern Thailand. While there is invariably a core of militants in such groups that is not amenable to negotiation and compromise, an adroit political strategy that reaches out to disaffected populations and offers them an improved life is more likely to succeed. The military has a role to play in dealing with such movements, but the brunt of the effort should be borne by political and economic tools. That requires greater flexibility in each capital to address grievances and more creatively forge ways to ameliorate them.

Governments and politicians in both countries — and elsewhere, it should be noted — have in the past played the populist card. The politics of division and resentment is all too frequently successful and its appeal is likely to increase as the world grapples with an economic downturn. Yet populism is inherently destabilizing both domestically and internationally — witness the ongoing confrontation between Thailand and Cambodia over a disputed border. Short-term gains are likely to have substantial long-term costs, both at home and abroad.

Other ASEAN Partners and Friends

America's friends in the region can make substantial contributions to regional peace and security. We urge them to continue pushing for greater coherence within ASEAN and to endow the organization with more teeth. Some ASEAN member countries are increasingly frustrated with its inability to more effectively shape outcomes. Those countries should work together to overcome institutional reluctance to make ASEAN a more potent force.

One particular issue that demands greater creativity is ASEAN's (and Washington's) approach toward Burma (or Myanmar, as it is called within ASEAN — we can't even reach common ground on the country's name). The junta's behavior — and seeming immunity from responsibility for those actions — is a continuing blot on ASEAN's reputation and credibility. ASEAN can do more to bring about change and provide relief to the long-suffering people of Burma. ASEAN may not wish to be an intermediary for Burma, but it can position itself at the center of negotiations over Burma's future and provide a framework for comprehensive engagement, perhaps not unlike China's role in the Six-Party Talks.

Malaysia and Indonesia have special roles to play in promoting regional security. As two successful — both politically and economically — moderate Muslim countries, they can provide a model for the successful integration of Islam and secular societies. They should also engage the United States to demonstrate the possibilities for relations between the United States and Muslim societies. We urge those two governments and societies to help the United States better understand Islam and ways to successfully engage its followers.

More concretely, the littoral states of Southeast Asia should step up efforts to secure sea lines of communication and prevent piracy. Several initiatives have been launched, but more work can be done. While countries in the region should bear the bulk of responsibility for protecting those waters, they should not be reluctant to ask other countries for aid, through helping to build indigenous capacity or by contributing directly to security initiatives.

As part of this effort, these governments should reach out to Japan. Japan can contribute much to maritime security operations and has a unique profile within the region: it is highly respected

"ASEAN may not wish to be an intermediary for Burma, but it can position itself at the center of negotiations over Burma's future and provide a framework for comprehensive engagement."

by publics and governments in Southeast Asia and is seen as a country with little inclination to exploit its presence. Encouraging Japan to engage will help overcome resistance in Tokyo to taking a higher international profile, balance Chinese engagement in the region, and lessen the load on the United States.

Taiwan

Taiwan occupies a unique position in the United States' regional security portfolio. Washington is eternally balancing its relations with Taipei and Beijing, striving to maintain good relations with both governments. The best thing Taiwan can do is make the balancing act as easy as possible. That means working hard to stabilize relations with the United States. As a practical matter, we translate that into a policy of "no surprises." Taiwan should communicate openly and consistently with the United States and ensure that Washington is informed of key developments before they happen and — where differences of view exist — that these differences are ironed out. The two partners need to trust each other; that is difficult when policy changes without notice or with disregard for the other's interests.

"Taiwan needs a national consensus on key issues of foreign and domestic policy."

In addition, Taiwan should step up efforts to secure its own defense. Taiwanese defense spending has declined precipitously over the last decade, despite a determined and threatening buildup on the other side of the Strait. This imperils Taiwan's security, not only by undermining defense capabilities but also by signaling that Taiwan is not prepared to defend itself. This is precisely the wrong message to send to the United States and China. Ma Ying-jeou has pledged to reverse this trend. As a first step, Taiwan should fulfill its promise to increase its military budget. Second, those expenditures should be used to better defend Taiwan. Procurement of high-profile items that make little contribution to the island's defense should be avoided. Offensive capabilities are to be played down. And when Taiwan signals that it wants to buy weapons from the United States and Washington approves, it should purchase them. The United States expends considerable political capital each time it agrees to sell weapons to Taiwan. To pay that price merely to demonstrate its bona fides to Taiwan is an abuse of America's trust.

The United States seeks peaceful cross-Strait relations. Instability is bad for Taiwan, the PRC, the United States, and all other countries of the region. As a guiding principle, the United States does not want either side to make unilateral changes in the relationship that could upset the status quo. Neither does the United States wish to be in the middle of negotiations or discussions between Taipei and Beijing. Those two governments have the primary burden of building stable, peaceful, and enduring relations. Thus, we endorse the efforts of the Ma Ying-jeou administration to engage China and pursue greater stability in cross-Strait relations. That policy should continue and increase focus on reciprocal tension reduction or other types of confidence-building measures. Beijing should be responsive in return, and take initiatives of its own.

Related to that, the bitter and divisive politics that dominate the island should stop. The images of politicians brawling or protestors insulting foreign visitors do great harm to Taiwan's international image and undermine efforts to be seen as a credible and constructive international partner. Taiwan needs a national consensus on key issues of foreign and domestic policy. Reasonable politicians should be able to find common ground on which considerably more than 50 percent of the public can stand. This would also promote greater stability in cross-Strait relations, since it would prevent radical swings in policy when administrations change in Taipei.

CHINA

This report has already devoted considerable space to China. Its rise is a key element of the regional security landscape and a trend that all governments must deal with. The United States has already made plain what it expects of the government in Beijing, and we endorse that call: China should be a responsible stakeholder, one that contributes to the spread of accepted norms and values, supports international institutions, and helps solve international problems and challenges. Indeed, the U.S.-China relationship is now far more than a bilateral or regional Asian relationship — it has become truly global in nature, and thus requires broad-gauged consultation, cooperation, and engagement with Beijing across the full panoply of global regions and issues. A key challenge for both Beijing and Washington is to move from cooperation in managing problems such as the North Korean nuclear challenge to cooperation that produces concrete results.

China should embrace greater transparency, certainly in its military policy but in other arenas as well, such as its opaque aid and overseas development assistance activities. While declaring intentions is a first step, that is not enough. Other data provide a window on Chinese thinking and can support (or undermine) those declarations. The more open China is, and the more restrained it is in the use (actual or threatened) of its political and military power, the better other nations can reach informed conclusions about its intentions. China also needs to recognize the law of cause and effect. The best way to discourage additional U.S. arms sales to Taiwan, for example, is not through bluster or threats but by a diminution of the threat posed by the PLA against a government that is clearly waving olive branches in Beijing's direction.

U.S. policy toward China is frequently contentious. Regardless of the merits of any approach, some in the United States will use that policy for domestic political advantage. China can minimize criticism by being a good international citizen, by respecting the human rights of its citizens, and by comporting itself in ways that are consistent with accepted norms and standards. Of course, the Chinese government should not do that merely to consolidate its relationship with the United States and like-minded nations; such behavior is in China's own interest. But Beijing should recognize that its actions can have both positive and negative unintended consequences.

PREREQUISITES

It may seem odd that a document purporting to outline U.S. strategy toward East Asia also seeks changes from its interlocutors, but the eventual success of any U.S. policy in Asia depends on a dialogue between the United States and its allies, friends, and partners. All sides must engage and explain their policies and, most significantly, their expectations. This obliges the United States to genuinely listen to those governments as they work together to modernize alliances and forge durable and productive relationships to meet and surmount new security challenges. The next U.S. administration, and its eventual successors, must do more than pay lip service to the notion of greater equality in its foreign relations.

That imposes an equally weighty burden on America's partners. They need to step up and articulate their visions of the world and their place within it. They should more clearly explain the role and rationale of their relationship with the United States and what they will do to sustain and improve it. Saying no or just setting the limits of cooperation is not enough. These nations should provide a positive agenda as well. The first steps toward equality come when both partners assume the burden of charting a joint future; they must then make the compromises that make collaborative action possible.

Washington must step up as well. The Pentagon, through Pacific Command, should 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 — and enhanced cooperation in the area of humanitarian assistance and disaster relief. The 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 also provide opportunities for an expanded security dialogue among participants. Given the prospects of an increasingly crowded Pacific Ocean, enhanced military-to-military cooperation will be particularly important in the coming years. Confidence-building measures and clear lines of communication, including hotlines between military commands, will be vital to America's engagement in the region.

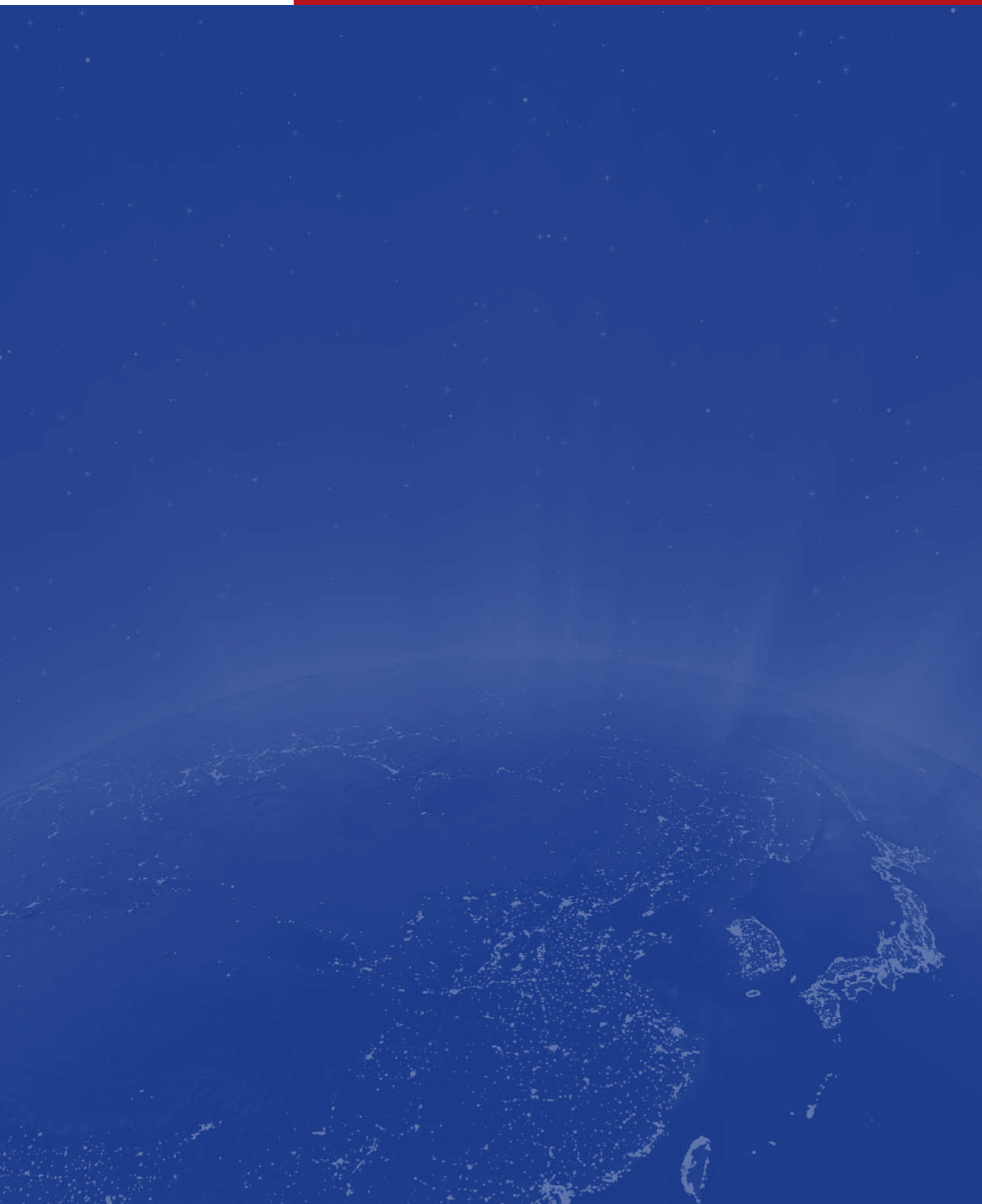
"Beyond exercises and interoperability, the United States should also ramp up its efforts to build effective security infrastructures across the region."

Beyond exercises and interoperability, the United States should also ramp up its efforts to build effective security infrastructures across the region. This can be done through programs to train and equip partner military and security forces, building 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.

Initiatives, old and new, should be approached deliberately and with speed. Changes resulting from the Pentagon's Global Posture Review, for example, concern key U.S. allies in Asia. These sensitive shifts in the U.S. military presence should not be rushed or hyped. Instead, they should be explained as evolutionary movements rather than radical departures from established policies. 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.

FEBRUARY 2009

The United States and the Asia-Pacific Region:
Security Strategy for the Obama Administration



CHAPTER VI:
CONCLUSION

The election of a new president is always a time of opportunity for the United States to renew policy, reframe problems, and build new political foundations. This moment of opportunity seems especially pronounced with regards to the Asia-Pacific. Over the last decade, the region has grown increasingly dynamic. It has also become more, not less, important to the United States — politically, economically, and in the security realm as well. Despite these factors, the United States has been focused elsewhere, for various reasons, compelling and not. For at least a decade, little sustained effort has been made at senior levels of the U.S. government to rethink the fundamental interests, roles, and responsibilities of the United States in the region. Accordingly, U.S. policy has become less proactive and more reactive, and the exercise of American power in the region has become less strategic and more ad hoc.

This report has identified a number of strategic imperatives and specific recommendations aimed at helping the Obama administration seize the moment in the Asia-Pacific. Its cornerstone is the reassertion of a U.S. vision offering clarity about American purposes there and a division of responsibility in advancing shared interests in stability, prosperity, and freedom. It does not argue that the Asia-Pacific should come first in U.S. grand strategy. Rather, it argues that U.S. interests there cannot be ignored and that success in the region can help accomplish larger U.S. goals.

Failure by the United States to adopt a more proactive and strategic approach to the Asia-Pacific would likely have far-reaching consequences over the next decade. We can easily imagine some or all of the following in the absence of a more proactive, strategic approach:

- Intensified (and intensifying) competition among the major powers to establish the rules of the road
- The emergence of additional and/or more powerful nuclear-armed challengers to the regional security order
- The eruption of increasingly damaging non-traditional security challenges
- A significant weakening of the political will to cooperate on challenges of trade, finance, and energy
- The emergence of a more powerful Asia that is less amenable to U.S. leadership and more hostile to U.S. interests

Such an eclipse of American power and influence is not in the interests of the United States, nor of its allies and friends in the region. We and those allies and friends deserve better. Adopting the approach sketched out in this report should go a long way toward securing these shared interests. We would therefore urge the Obama administration to seize upon the imperatives and recommendations outlined in this and other thoughtful studies dealing with U.S. policy and interests in the Asia-Pacific region, and to produce its own definitive Asia-Pacific Strategy Report early on, to underscore both U.S. determination to remain engaged and the means by which America and its allies, partners, and friends can promote and preserve regional peace and stability together.

Reassert Strategic Presence: Get/stay involved; demonstrate resolve; articulate a clear A-P vision and security strategy; sustain military engagement and forward presence.

Reaffirm/Reinvigorate Alliances: Reaffirm extended deterrence; follow through on transformation commitments; develop/implement joint visions through genuine consultation; broaden and deepen security relationships, including in nontraditional security areas.

Articulate Clear, Pragmatic China Policy: Reaffirm "responsible stakeholder" approach; promote cooperative, constructive Sino-U.S. and cross-Strait relations; avoid "zero-sum" approaches; support Taiwan democracy while maintaining "one-China" policy.

Prevent Nuclear Proliferation: Sustain Six-Party Talks, employing special envoy; promote nuclear stability and disarmament; pursue strategic dialogues; develop an effective regional export control regime; focus on 2010 NPT review conference; provide security assurances to non-nuclear weapons states.

Support Regional Multilateral Efforts: Show up (APEC, ARF); revalidate/expand U.S.-ASEAN Enhanced Partnership; expand cooperation on nontraditional security challenges; sign the ASEAN Treaty of Amity and Cooperation; support East Asia community building and the East Asia Summit; promote trilateral cooperation (reinvigorate U.S.-Japan-ROK talks; institute China, Japan, U.S. dialogue).

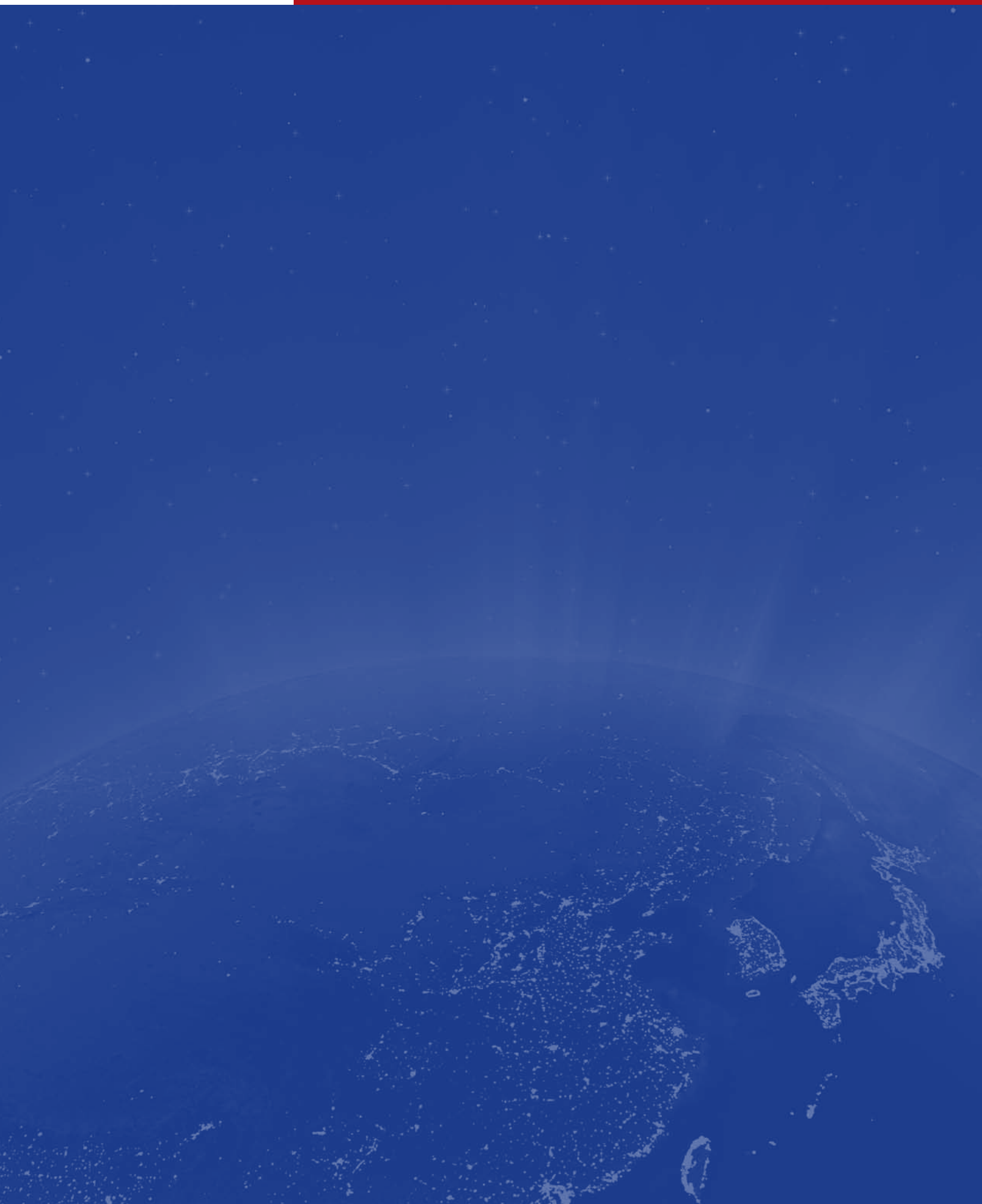
Promote Open and Free Trade: Encourage free trade agreements and similar frameworks that ensure greater interdependency and economic growth; avoid protectionism; pass the Korea-U.S. Free Trade Agreement.

Strengthen American Soft Power: Broaden and deepen diplomatic, economic, and cultural engagement; invest in professional competence/capacity building; provide leadership in addressing climate change and energy security; rebuild public diplomacy capabilities.

Deal with Radical Islam: Provide intelligence and law enforcement assistance; develop regional information sharing technologies and networks; strengthen legal systems; train counter-terrorism forces.

FEBRUARY 2009

The United States and the Asia-Pacific Region:
Security Strategy for the Obama Administration



WORKSHOP ONE: MARCH 10, 2008

This event, organized and conducted by the Center for Naval Analyses (CNA), focused on project organization, history and framing the large issues that would demand further exploration.

Panelists

Dr. Thomas Bowditch
CNA

Dr. Victor Cha
Georgetown University

Mr. Ralph Cossa
Pacific Forum CSIS

Dr. David Finkelstein
CNA

Mr. Brad Glosserman
Pacific Forum CSIS

Dr. Satu Limaye
East West Center - Washington D.C.

RADM Michael McDevitt, USN (ret)
CNA

Mr. Douglas Paal
Carnegie Endowment - Washington D.C.

Mr. Bronson Percival
CNA

Dr. James Przystup
NDU/INSS

Dr. Brad Roberts
IDA

Dr. Phillip Saunders
NDU/INSS

Mr. James Schoff
IFPA

Participants

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CNA

Ambassador Jeffrey Bader
Brookings Institution

Mr. Dan Blumenthal
AEI

Mr. Richard Bush
Brookings Institution

Mr. Paul Chamberlin
KCI

Mr. Dean Cheng
CNA

Dr. Warren Cohen
University of Maryland BC

Dr. Bernard "Bud" Cole
National War College

Ambassador Rust Deming

Dr. Hugh De Santis
Centra Technologies

Mr. Paul Giarra
SAIC

Ms. Bonnie Glaser
CSIS

Dr. Paul H.B. Godwin

Dr. Steve Goldstein
Smith College

Mr. James Green
State Department

Dr. Harry Harding
George Washington University

Dr. Kongdan Oh Hassig
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NDU/INSS

Mr. Walter Lohman
Heritage Foundation

ACPT Renata Louie, USN
NDU

RADM Eric McVadon, USN (ret)
IFPA

Dr. James Mulvenon
CIRA

Mr. Chris Nelson
Nelson Report

Dr. Jonathan Pollack
Naval War College

Mr. Alan Romberg
Stimson Center

Mr. Randy Schriver
Armitage International

Mr. Chris Skalsa
OSD - Policy

Mr. Joseph Snyder
Atlantic Council

Dr. Robert Sutter
Georgetown University

Ms. Yuki Tatsumi
Stimson Center

Dr. John Tkacik
Heritage Foundation

Dr. Nancy Bernkopf Tucker
Georgetown University

Dr. Cynthia Watson
National War College

Dr. Stanley Weeks
IDA

COL Alfred Wilhelm, USA (ret)

Col William Wise, USAF (ret)
Johns Hopkins University - SAIS

WORKSHOP TWO: MAY 20–21

This event, organized and conducted by Pacific Forum CSIS in Honolulu, Hawaii, focused on America's alliances and the next administration.

Panelists

Mr. Carl Baker
Pacific Forum CSIS

Mr. Ralph A. Cossa
Pacific Forum CSIS

Dr. David Fouse
Asia-Pacific Center for Security Studies

Mr. James A. Kelly
EAP Associates

Ambassador Charles B. Salmon, Jr.
Asia-Pacific Center for Security Studies

Brig Gen Edwin A. Vincent, USAF
Strategic Planning and Policy, PACOM

Dr. Stanley B. Weeks
Institute for Defense Analyses

Participants

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CNA

Ambassador Raymond F. Burghardt
East-West Center

Mr. Michael Cassidy
USDAO – Tokyo

Dr. Bernard "Bud" Cole
NDU

Ambassador Gene B. Christy
Foreign Policy Advisor, PACOM

Mr. James Delaney
IDA

Mr. E. Richard Diamond, Jr.
Raytheon Company

Mr. Tim Dolan
Raytheon Company

Dr. Lee H. Endress
APCSS

Mr. Ian Forsyth
PACOM, JIOC

Mr. Paul Giarra
SAIC

Mr. Brad Glosserman
Pacific Forum CSIS

Mr. Richard Halloran
Freelance Writer

LTC Michael Mathes
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RADM Eric A. McVadon, USN (ret)
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Dr. Charles E. Morrison
East-West Center

COL Steve Mullins, USA
PACOM, J56

Dr. Tom Neuberger
CNA

Dr. Brad Roberts
Institute for Defense Analyses

Dr. Denny Roy
East-West Center

Dr. Phillip C. Saunders
INSS/NDU

Mr. Robert M. Scher
Booz Allen Hamilton

Mr. Ed Smith
IDA

Mr. John J. Tkacik, Jr.
Heritage Foundation

Mr. Mark A. Torreano
Lockheed Martin

RADM L.R. Vasey, USN (ret)
Pacific Forum CSIS

Dr. Cynthia A. Watson
National War College

ADM R.J. "Zap" Zlatoper, USN (ret)

WORKSHOP THREE: JULY 10–11

This workshop, organized and conducted by the Institute for Defense Analyses (IDA), addressed China's place in U.S. Asia-Pacific security strategy.

Panelists

Dr. Kurt M. Campbell
CNAS

Mr. Ralph Cossa
Pacific Forum CSIS

Dr. Patrick Cronin
INSS/NDU

Mr. Peter Ennis
Oriental Economist

Dr. David Finkelstein
CNA

Lt Gen Daniel Leaf, USAF (ret)

Dr. Thomas Mahnken
Office of Secretary of Defense

RADM Michael McDevitt, USN (ret)
CNA

Mr. Douglas Paal
Carnegie Foundation

Dr. Brad Roberts
IDA

Mr. Alan Romberg
Stimson Center

Dr. Phillip Saunders
INSS/NDU

Dr. Robert Sutter
Georgetown University

Participants

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CNA

Dr. David Asher
IDA

Mr. Michael Auslin
AEI

Mr. Daniel Bob
NYROK

Mr. Gordon Boozer
IDA

Mr. Richard Bush
Brookings Institute

Ms. Laura Conniff
AEI

Mr. Jim Delaney
IDA

Ambassador Rust Deming

CAPT Dick Diamond USN (ret)
Raytheon

Mr. Paul Giarra
SAIC

Mr. Brad Glosserman
Pacific Forum CSIS

Mr. James Green
State Department

LtGen Chip Gregson, USMC (ret)

Mr. Robert Gromoll
State Department

Dr. John Hanley
IDA

Dr. Katy Oh Hassig
IDA

Dr. Scott Kastner
University of Maryland

Mr. Michael Keifer
Defense Threat Reduction Agency/ASCO

Mr. Jim Kelly
CNA

Mr. Jim Kelman
State Department

Ms. Mary Ann Kivlehan
CNA

Mr. Michael Kiselycznyk
NDU/INSS

CAPT Renate Louie, USN
NDU

COL Steve Mullins, USA
PACOM

RADM Eric McVadon, USN (ret)
IFPA

Ms. Anne Meng
NDU

Mr. Chris Nelson
Samuels International

Mr. Nirav Patel
CNAS

Mr. Bronson Percival
CNA

Dr. Jim Przystup
NDU/INSS

Mr. Steve Schlaijker
CENTRA

Mr. Jim Schoff
IFPA

Dr. Amy Searight
George Washington University

Dr. David Shambaugh
George Washington University

Mr. Edward Smith
IDA

Dr. Michael Swaine
Carnegie Endowment

Dr. Jim Thomason
IDA

Dr. John Tkacik
Heritage Foundation

Mr. John Geiss
Office of Secretary of Defense

Pacific Forum Young Leaders

Mr. Scott Harold
Brookings Institution

Ms. Catarina Kim
Open Source Center

Mr. Justin Liang
East-West Center

Mr. Dewardric McNeal
Brookings Institute

Ms. Alyson Slack
CSIS

Ms. Ana Villavicencio
Pacific Forum CSIS

WORKSHOP FOUR: SEPTEMBER 25–26

This workshop, organized and conducted by the Institute for National Strategic Studies (INSS) of the National Defense University, discussed economic, non-traditional security issues, and views from the region.

Panelists

Admiral Christopher Barrie, RAN (ret)
Industrial College of the Armed Forces

Mr. Edward Chow
CSIS

Dr. Nicolas Eberstadt
AEI

Dr. Ellen Frost
Peterson Institute of International Economics

Dr. Evelyn Goh
Oxford University

Mr. Sourabh Gupta
Samuels International

Mr. Trevor Houser
Rhodium Group

Dr. Satu Limaye
East-West Center Washington D.C.

Mr. Robert Manning
NIC

Mr. Kuni Miyake

Ambassador Sun-won Park
Brookings Institution

Dr. Amy Searight
George Washington University

Participants

Dr. David Asher
IDA

Mr. Richard Bush
Brookings Institute

Mr. Paul Chamberlin

Mr. Ralph Cossa
Pacific Forum CSIS

Dr. Patrick Cronin
NDU/INSS

Mr. Jim Delaney
IDA

Ambassador Rust Deming

Mr. Abraham Denmark
OSD

Dr. Hugh DeSantis
Centra

CAPT Richard Diamond, USN (ret)
Raytheon

Ms. Kimberly Fassler

Mr. Ryan Felkner

Mr. Paul Giarra
SAIC

Mr. Michael Glosny
NDU and MIT

Dr. Bernard Gordon
UNH

Dr. John Hanley
IDA

COL Roy Kamphausen, USA (ret)
NBR

Mr. James Kelly
CNA

Mr. Jim Kelman
State Department

Mr. Michael Kiselycznyk
NDU/INSS

Mr. Arthur Lord
CRS

RADM Michael McDevitt, USN (ret)
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RADM Eric McVadon, USN (ret)
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COL Steve Mullins, USA
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Mr. Bronson Percival
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Ms. Greer Pritchett

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Mr. Robert Scher
Booz Allen Hamilton

Mr. James Schoff
IFPA

Mr. Scott Snyder
CSIS

Dr. Michael Swaine
Carnegie Endowment

Ms. Corrine Thompson

Ms Ana Villavicencio
Pacific Forum CSIS

Ms. Sophia Yang

Mr. Stephen Young

Pacific Forum CSIS

Based in Honolulu, the Pacific Forum CSIS (www.pacforum.org) operates as the autonomous Asia-Pacific arm of the Center for Strategic and International Studies in Washington, DC. The Forum's programs encompass current and emerging political, security, economic, business, and oceans policy issues through analysis and dialogue undertaken with the region's leaders in the academic, government, and corporate areas. Founded in 1975, it collaborates with a broad network of research institutes from around the Pacific Rim, drawing on Asian perspectives and disseminating project findings and recommendations to opinion leaders, governments, and members of the public throughout the region.

Institute for Defense Analyses

The Institute for Defense Analyses is a non-profit corporation that administers three federally funded research and development centers to provide objective analyses of national security issues, particularly those requiring scientific and technical expertise, and conduct related research on other national challenges.

Center for Naval Analyses

CNA, also known historically as the Center for Naval Analyses, is a not for profit non partisan Federally Funded Research and Development Center (FFRDC) that has conducted research and analyses for America's defense community since 1942. CNA has a long term special relationship with the US Navy and US Marine Corps that is a defining part of our organization.

This project was undertaken under the sponsorship of *CNA-Strategic Studies* which is the directorate that specializes in US security strategy and policy, regional analyses, studies of political military issues, and force assessments. On the ground experience is a hallmark of this work. All of the analysts in *CNA-Strategic Studies* combine advanced degrees, in-country experience and the language skills necessary to exploit foreign language source data in order to better inform our analytic products.

Institute for National Strategic Studies/National Defense University

The mission of the Institute for National Strategic Studies (INSS) is to assess the emerging security environment, develop new strategic concepts and integrated strategies to manage complex challenges, and advance strategic thinking for the Secretary of Defense, Chairman of the Joint Chiefs of Staff, Combatant Commanders, and other components of the National Defense University and Joint and Professional Military Education, as well as for the broader security community spanning the interagency and key national and international audiences.

About the Center for a New American Security

The mission of the Center for a New American Security (CNAS) is to develop strong, pragmatic, and principled national security and defense policies that promote and protect American interests and values. Building on the expertise and experience of its staff and advisors, CNAS aims to engage policymakers, experts and the public with innovative fact-based research, ideas, and analysis to shape and elevate the national security debate. A key part of our mission is to help inform and prepare the national security leaders of today and tomorrow.

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