

Auslin, "Asia Overview: Protecting American Interests in China and Asia"

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By

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Mr. Chairman and Members of the Committee, thank you for inviting me to testify today on U.S. interests in Asia. It is a pleasure to appear before you and also to testify alongside my friend, Secretary Campbell, who has played such an important role in shaping policy and working with America's friends and partners in the region.

As our country continues to recover from the 2008 economic crisis, maintains combat operations in Afghanistan, and now undertakes military action in Libya, some may question not only what our interests in Asia actually are, but whether our investment in maintaining America's presence and influence in the region is worth it. I believe the answer is an unequivocal yes and for the following reason: there is no region on Earth that is more vital to the long-term prosperity and stability of the United States than the Asia-Pacific. Its economic vitality is crucial for workers and consumers here at home; its political trends will help determine the future of global liberalism and democracy; and its continued stability is of the utmost importance to the global economy as well as to our military, with its various commitments to allies and friends. In short, while we may consider other regions of the globe as areas that demand problem solving and crisis management, the Asia-Pacific is the one area that offers the promise of a brighter and more prosperous future, but only if we remain committed and involved.

Mr. Chairman, you have asked whether we are protecting the broad range of our interests in China and Asia. Such a question can be answered in two ways. The first way is to equate our current Asian commitments and relationships with our interests and then to judge how well we are protecting them.

From that perspective, the United States remains deeply engaged in the Asia-Pacific region and on the balance is well protecting our interests. As Secretary Campbell can attest, our

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diplomats and bureaucrats are in constant contact with their Asian counterparts and travel regularly to the region. The President and the Secretaries of State and Defense have made multiple trips to the region. We retain important military relationships in the Asia-Pacific, and are expanding those with new partners, such as Indonesia. Countries such as Malaysia are embracing a larger role in anti-terrorist and non-proliferation initiatives. The State Department runs numerous public diplomacy programs and our Fulbright and other student exchange programs bring hundreds of young Asians to our shores. To all this can be added various state, local, and private initiatives, from parliamentary exchanges to art exhibitions, not to mention annual festivals, such as the National Cherry Blossom Festival, which began this week in our city. From the outside looking in, there is little question that the United States has a varied, rich, and important set of relations and activities with respect to the Asia-Pacific region.

Subtracting from this particular ledger would be the on-going and seemingly irresolvable nuclear crisis with North Korea, the continuing problem of Burma's authoritarian rulers, and deep and enduring uncertainty about China's growing strength and more assertive attitude in the region. These are important and worrisome threats and challenges, and it is clear that this Administration, like others before it, is attempting above all to prevent trends from worsening, while slowly, sometimes hesitantly, grappling with confronting these issues. There are as many who believe these threats are overstated as there are those who believe the government is not doing enough to protect our interests.

Yet there is a second way to answer your question of our interests, Mr. Chairman, and that is to ask, what kind of Asia-Pacific do we want to see in the future, what kind of region would contribute to prosperity, liberalism, and stability in ways that would benefit America, the world, and the Asia-Pacific itself? When looked at from this perspective, then I believe the

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picture is cloudier and there is more reason to doubt that this nation has either identified its interests or is prepared to protect them over the long-term. Indeed, if we look at the world from this perspective, then I believe merely protecting our interests is not enough. Rather, we must actively promote them. It is not enough to simply attempt to maintain the status quo, for we have ample evidence that the status quo is increasingly difficult to defend over time, and that the propensity for international systems to decay often outstrips the ability of supporting states to maintain them.

What, specifically, are U.S. interests from this second perspective? Above all, it is in the national interest of the United States to help nurture and promote a more democratic and liberal Asia. This means working most closely with democratic states and supporting liberal states that play constructive roles in the region. It also means being an active player in those multilateral initiatives that can help to develop liberal norms and help promote regional stability. Free trade agreements are one important arena of activity, as is participation in gatherings like the ASEAN Asian Defense Ministers' Meeting Plus. Moreover, it is in our interest to encourage the on-going liberalization of states both large and small in the region.

A second major interest we have is ensuring that stability in the region's common areas is not disrupted. With nearly 40 percent of world trade passing through the Strait of Malacca alone, maintaining freedom of navigation and overall maritime security is of overriding importance to continued economic growth and political stability in the region. Again, here it is not enough merely to maintain a presence, though that is important; it is crucial that we form ever more effective security partnerships and activities. This requires a policy that is unambiguous in upholding accepted norms of regional behavior in the commons and ensuring that our partners and friends doubt neither our intentions nor our capabilities. It requires not merely an enhanced

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naval, air, and amphibious presence to be most credibly postured to respond to the most likely future threats, but also a diplomatic policy that unreservedly rewards friends and does not excuse the actions of those who upset the regional security equilibrium.

Thirdly, we must help encourage further economic growth in what is already the world's most economically vibrant region. Higher economic growth rates generally correspond to a growing middle class, which itself leads to greater liberalization and more representative government. In 2010, trade in goods with the nations of the Asia-Pacific totaled just under \$1 trillion dollars, which, according to estimates from the U.S. Chamber of Commerce accounts for as many as 11 million U.S. jobs. Moreover, our exports to the region are largely from skilled jobs sectors, including machinery, electrical machinery, aircraft, and optic and medical instruments, not to mention significant agricultural exports. The more that we work with business groups, legislators, schools and training institutes and the like, the more that we are developing markets for U.S. goods as well as ensuring sources of affordable consumer goods for Americans.

All three of these national interests are interlinked and point to the type of Asia-Pacific that we want to see in the future. We must recognize that, for the next generation at least, this will be most dynamic region on the globe, that it will develop with or without our engaged presence, and that we stand to lose a great deal if we slowly become a passive observer of the Asia-Pacific future.

And yet today, I would argue that, for all our engagement that I mentioned earlier, we run the risk of falling behind events and thereby failing eventually to promote our interests. First and foremost are the general geopolitical trends, manifested most obviously in the rise of China. Closely following this is the relative weakening of our traditional liberal allies. These two trends

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may be seen as well as part of a much larger global trend in which authoritarian regimes, from Venezuela to Iran and China, are acting more boldly and developing greater military capabilities, while liberal nations, in North America and Europe, are retrenching, cutting their defense spending, and often are suffused with a crisis of confidence.

The complexity of our relationship with China is, as many have noted, unlike others in the past. As important as China is to our economy, it also increasingly acts as a challenger to U.S. interests in Asia and around the globe. Both this and previous administrations have attempted to engage China under a variety of rubrics, from responsible stakeholder to strategic reassurance. And yet, based on the past several years of Chinese action, we must accept the fact that Beijing defines its interests very differently from ours and acts increasingly as a rival in Asia, rather than a benign challenger. All this is occurring while China, like all nations in the Asia-Pacific, continues to benefit enormously from the public goods provided by the United States, such as ensuring freedom of navigation, which creates conditions of stability that have allowed the Asian economic miracle to develop over the past half-century.

China's actions follow a traditional pattern of rising powers, in which generic dissatisfaction with the prevailing regional order results in a probing and testing of the limits of that order. Beijing's expansive maritime claims in the East China and particularly South China Seas are one means of testing the regional order. More worryingly, its willingness to bully smaller neighbors and employ the threat of varying levels of military activity to defend those claims, or to get other nations to compromise on their claims, is a direct challenge to stability in the Asia-Pacific commons. Here I would commend the comments of Secretary of State Clinton last year in Hanoi which made clear that the peaceful, multilateral resolution of these conflicting claims in the South China Sea is in the national interest of the United States.

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These actions are the visible challenge China poses to regional order and American interests, broadly defined. As China has grown, as its political influence has increased along with its military capabilities, we have seen more assertive behavior, and a government that is quick to take offense at suggestions that it act less confrontationally. This should be of concern to U.S. policymakers, for it indicates the continued likelihood of tension between our two countries and an incompatibility of national interests between China and the United States. It also calls into question whether it is realistic to believe we will be successful in getting China to accept our notions of cooperative, if not constructive, international behavior.

Yet Beijing's actions have ramifications beyond our bilateral relationship. While it is important not to overstate China's strengths or make unrealistic predictions that it will one day supplant us in Asia, we also must not underestimate its impact on the region. The nature of China's rapid military modernization, its development of weapons that have the ability to target America's most advanced military platforms, and its unwillingness to engage in meaningful dialogue with us or its neighbors, combine with its more assertive actions in recent years to create an increased sense of uncertainty in the Asia-Pacific.

Indeed, I believe we are seeing the beginning phases of a geopolitical risk cycle that is comprised of three parts. The first part is the sense of uncertainty over China's future behavior and its effect on the regional order that I just mentioned. The second part is an increased sense of insecurity. This insecurity I believe we are witnessing on the part of countries ranging from Vietnam to Japan, due in no small part to their recent brushes with China over maritime claims in the East and South China Seas. The third part of the geopolitical risk cycle is instability, and it is something that we must be committed to preventing. The presence of U.S. military forces in the region, combined with an unyielding diplomatic presence is of utmost importance in forestalling

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the rise of instability. Unfortunately, even with our presence, China has pursued its current path and rogue regimes such as that of North Korea also play a highly destabilizing role, even if their ultimate impact on the region is less significant than that of China.

The significance of the risk cycle I have just discussed is that it is by its nature corrosive of the liberal regional order in the Asia-Pacific. This liberal order has largely kept the peace and allowed Asian nations to prosper so dramatically over the past half-century, and it has been underwritten by the United States. At its most fundamental, the credibility of our security guarantees cannot be underestimated in shaping the calculations of actors seeking to disrupt stability, in establishing conditions under which economic development can progress, and in encouraging regimes attempting democratic reforms to continue on their often difficult path.

Unfortunately, the greatest security challenge the United States faces globally in the coming generation is precisely the decay of the U.S.-led, post-World War II liberal international order. This order is increasingly challenged by states seeking to maximize their own interests in their particular regions. Venezuela and Iran, Russia and China all are putting pressure on liberal nations trying to uphold norms of international behavior, defend the commons, and fight for democratization. They are joined by others who similarly hope to benefit from the retreat of market economies, and the weakening of democratic states. Smaller nations, nations struggling to choose more liberal paths, and those who have depended on regional stability for their own safety are watching the decay of the liberal international order with growing concern and even alarm.

There are those who question the value of the security which the United States provides both in Asia and globally, noting its expense. Yet how much more expensive would it be to this country if Asia were not the economic powerhouse that it is and if the relative calm of its

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commons were replaced by conflict or greater uncertainty? States in the region would be forced to spend even more on defense, thereby negatively impacting their consumer-oriented production. Shipping insurance and protection of merchant fleets also would be more expensive, thereby raising the price of imported goods here at home. In the worst-case scenario, the United States might well be called upon to defend allies and partners in the various conflicts they had with other nations.

Indeed, we see the beginnings of this dynamic even today, as some states around the region start procuring advanced weapons systems, in particular submarines and fighter jets. As this happens, our traditional allies, most notably Japan, are spending less on their own defense, thereby inserting yet another element of uncertainty into the regional security equation.

Having discussed the rise of China and its effect on broad American interests in the Asia-Pacific, let me briefly discuss Japan. As our long-standing ally and the host for the bulk of the U.S. forward presence in Asia, Japan is the lynchpin to protecting and promoting our interests in the region. For the past nearly two years we have had a trying political time with our counterparts in Tokyo, as the Democratic Party of Japan has struggled to govern effectively while at the same time reopening the question of whether to move Marine Corps Air Station Futenma to a location in the north of the island. So difficult has this time been, that I and others testified about it before this very committee almost exactly a year ago.

Now, however, our Japanese friends are faced with a national emergency and a humanitarian catastrophe that would test the resolve of any government. The devastating earthquake and tsunami that hit northeast Japan has taken the lives of over 10,000 Japanese and destroyed the livelihood of many hundreds of thousands more. Yet amidst the horror, we have watched scenes of extraordinary heroism, selflessness, and strength on the part of millions of

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Japanese. The world has seen the best of Japan's character and is reminded of the importance of a shared sense of community as well as a belief in responsibility to our fellow man in times of need.

Yet politically, Washington must be prepared for a Japan that is necessarily inward looking in the coming years. Disaster relief activities will continue for months, and the task of reconstruction will occur over years. The cost of the disaster is already estimated at over \$300 billion dollars, and that number will likely rise as the true extent of the devastation becomes known. This reality will force the Japanese government to make difficult choices in the coming years. Discretionary spending will likely be slashed, and entitlements may also be cut. As Japan turns inward, it may well be less engaged as a global actor, less willing to spend on traditional security concerns or in concert with the United States, and this may complicate American policies in the Asia-Pacific. Already, there are reports that Prime Minister Kan may back away from his stated desire to liberalize Japan's trade, and will not pursue membership in the Trans-Pacific Partnership. While I believe this is the wrong path for Japan to pursue, it is these kinds of choices for which the Administration will have to prepare itself.

The international system abhors a vacuum, whether one that is real or perceived. While we at home may not believe that our commitment to Asia is waning or that our presence is shrinking, it is undeniable that nations around the region are concerned about the future of the U.S. position. They question how our defense spending cuts will impact our ability to live up to our security commitments. They watch in concern as we bend over backwards not to antagonize China while signaling that we may be wavering in clearly defining that which we are willing to defend. They see us active in the region but question, to what end? Are we committed above all

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to stability for stability's sake or to some larger goal for Asia's future, that of freedom and prosperity?

We have long endeavored not to make Asia a region in which nations must choose sides. That is the correct policy, but reality may be making that position obsolete. For all our economic dependence on China, we have so far been less successful in engaging it in ways that portend a more constructive Chinese government role in the region. Other nations, too, are calculating the risks and rewards of moving closer to China, and thereby in many cases working less closely with the United States.

What then, should we do to ensure that we are protecting our interests in Asia? I believe the time has come for a new American policy. Our half-century hub-and-spoke alliance system has served us well, but we must think how to enhance it. Our focus largely on Northeast Asia has been natural, but we must expand our view of the region. Our sense of ourselves as a largely Eurocentric nation must give way to a broader identity that encompasses Asia. In our efforts, we should endeavor to build a new community, a merging of Asian and American interests, one we might call "Americasia."

First, we should broaden our perspective beyond merely Asia and the Pacific. The realm we are dealing with stretches from the western Pacific to the Indian Ocean in a great arc. We cannot effectively make policy for Asia by excluding India, whose role will only grow in the coming decades. It is this "Indo-Pacific" that should define our boundaries of interest. It is one integrated realm, united by its common maritime and air corridors, in which all nations are dependent on the free flow of goods and peoples. Currently, no U.S. government department is optimally organized to deal with this region: the State Department is split into East and South Asian bureaus, while the Defense Department includes Pakistan and Afghanistan in its Asia and

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Pacific Affairs division. The area of responsibility of U.S. Pacific Command is perhaps best correlated with the realities of the region, and other departments should consider following the same boundaries. This would also benefit the National Security Council, where interagency deliberation should be centered. And if I may suggest, Congress as well should consider reorganizing its subcommittees on a broader regional basis. Such an arrangement would lead to policymaking focused on the Indo-Pacific as a whole, where trade and social issues abut with political and security concerns, and a more complete accounting of how we can allocate resources to promote our interests in this realm can be carried out.

Second, in terms of our actual policy, we must consider moving beyond the hub-and-spoke system that has structured our alliances in Asia for the past half-century. While those should remain in force, we should consider a new approach that explicitly links our political and security initiatives with a broader set of liberal or liberalizing partners. I would conceptualize these as a set of "concentric triangles." The outer triangle links us with our major allies, Japan, South Korea, and Australia, along with India, with whom the Obama and Bush Administrations have begun serious strategic dialogues. This great power triangle should concern itself with the largest set of geopolitical issues, discussing threats to the regional Indo-Pacific order and taking the initiative to respond to disturbances in their respective sub-regions. This triangle also should help set a liberal political agenda for the region, and strive to encourage democratizing states and free-trade regimes that uphold high standards.

The "inner triangle" is centered on the lower South China Sea, the area of greatest geopolitical significance and also where there is a plethora of political and security challenges today. This triangle should link us with Indonesia, Malaysia, Vietnam, and Singapore, and it should focus on freedom of navigation, development of maritime, air, and ISR capabilities, and

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nascent joint cooperation. Promoting security in the South China Sea commons should be the main goal of this triangle, yet it should also serve as a leading force for increased liberalization in the region. By focusing U.S. efforts on creating a working relationship with these two interlocking triangles, we can promote the interests that best serve our own country as well as those in the region. Enhancing democratic reform, developing civil society, building security capabilities, and discussing regional political goals and trends can ensure that the initiative in the Indo-Pacific rests with us and our partners and not on those that seek instead to weaken the liberal order.

Finally, Mr. Chairman, we must endeavor here at home to inculcate a more Asian identity. We have been a Pacific power for over a century, and more and more of our fellow citizens come from an Indo-Pacific background. Our future economic vitality, our future political influence, and our future security come increasingly from this vast and vibrant region. More of our students should study there, more of our media should report on trends there, and more of our state and national legislators should travel there. It is an area of extraordinary promise, not simply crisis. The 21st century almost certainly will be an Indo-Pacific one. It is up to us whether make it an "Americasian" one, as well.

Thank you for the opportunity of testifying before you and I look forward to your questions.



The "Concentric Triangles" in the Indo-Pacific

United States House of Representatives
Committee on Foreign Affairs

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