

## **The Slow Emergence of an Obama Foreign and Security Policy and the Outlook for Asia**

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Despite sharp differences with his predecessor, George W. Bush, President Barack Obama has gradually developed a distinctive new foreign and security policy. The initial rhetorical distinction was stark. Obama would be idealistic, highly variegated and pragmatic internationalist, a seemingly big departure from what was characterized as a conservative (and neo-conservative), monochromatic agenda centered on a global war on terrorism.

Not only did Obama quickly throw his support behind multilateral nonproliferation institutions such as the Nuclear Non-Proliferation Treaty, but also espoused a visionary ‘Global Zero’ world in which one day all nuclear weapons might be eradicated. Similarly, rather than launch new military invasions, Obama would focus on winding down the current conflicts in Iraq and Afghanistan, and concentrate on shoring up America’s tarnished post-9/11 image. The detention facility at Guantanamo would be shut down; and America would focus its attention on complex global challenges such as climate change.

The Obama administration’s heavy inheritance, however, did not move as quickly as the rhetoric. One could support Global Zero, push the proverbial reset button with Russia, and embrace multilateral dialogue—the administration did indeed do all of these things--and yet still fail to reverse nuclear proliferation. Such are the entrenched proclivities of countries like North Korea and Iran, not to mention the perplexing direction of erstwhile partners such as Pakistan. Similarly, one could move to end front-line combat missions in Iraq but still be faced with serious, lingering questions about Iraq’s fortunes. At the same time, there was the vexing predicament over how to advance interests in Afghanistan without incurring the unintended consequences likely to ensue from any precipitous withdrawal. Entering office amidst a global financial meltdown and the worst the U.S. recession since the 1930s’ Great Depression, the White House was denied the flexibility it might have had to launch major new initiatives. The

fiscal constraints also kept President Obama more focused on domestic issues like health care than on foreign policy.

Fortunately, the President had, from the outset, decided to create a ‘team of rivals,’ with former challenger Hillary Clinton as Secretary of State and Bush Secretary of Defense Robert Gates staying on at the Pentagon. Clinton and Gates would prove to be pillars of a strong internationalist but pragmatic foreign and security policy. While Gates concentrated on winning the current wars at first, he gradually gravitated along with the Secretary of State and the White House to launch a strategic shift to rebalance America’s commitments in the Middle East and across the Indo-Pacific. By the end of 2010, new national security advisor Thomas E. Donilon openly articulated the clear determination to shift strategic priorities away from over-engagement in the greater Middle East toward more active engagement in the Asia-Pacific region.

While the United States had never left the Asia-Pacific region, the Obama administration significantly enhanced America’s diplomatic presence. America closed ranks with its many partners among the Association of Southeast Asian Nations (ASEAN) by joining the Treaty of Amity and Cooperation (TAC) and accepting an invitation to join the East Asia Summit (EAS). It simultaneously sought to revitalize alliances, expand cooperation with new partners, and forge a durable strategic partnership with China.

But America’s preexisting commitments proved harder to curtail than what the Obama administration predicted. It was easier to conclude that costly, long-term armed nation building was not sustainable and poor means of securing the U.S. interests, than it was to affect rapid change. Gates and General David Petraeus cautioned the inexperienced president about a rapid transition in Afghanistan, from which there was no safe, easy way to draw down the conflict that the United States undertook in 2001 in response to Al Qaeda’s terrorist assaults on America.

Then, in the first half of 2011, the Obama foreign and security policy started to be defined by major global events in the greater Middle East. A little-noticed grassroots movement that started in Tunisia in mid-December 2010 had transformed into a democratic contagion that was forcing the Obama administration to concentrate anew on a region in which it had hoped to lighten America’s burdens by the spring of 2011.

The Arab spring was raising one tough question after another, including whether to watch the longtime Egyptian President Hosni Mubarak to be forced out of office by a spontaneous democratic movement fueled by the social networking. The choice was made easier because, at least in Egypt, there was a clear idea of what would come next because of the Egyptian military’s willingness to ensure stability in the interim between Mubarak’s long-time rule and whatever was to follow.

The support for change was far slower to develop with respect to the movement to overthrow the President of Yemen, where Al Qaeda in the Arabian Peninsula was poised to gain ground, or turn over the political order in Bahrain, home of the U.S. Navy's Fifth Fleet and a country where Iranian influence frightens the Arab Gulf. The so-called 'Lady Hawks' of Secretary Clinton, the United States Representative to the United Nations Susan Rice, and Senior Director for human rights and democracy Samantha Powers reportedly influenced the President to throw some caution to the wind in Libya and support transatlantic military action to halt the potential slaughter of tens of thousands of civilians. But then the President also called for the departure of Libyan strongman Muammar Gaddafi, while in Syria the United States eventually called for Bashar al-Assad to reform or get out of the way. In short, the Arab Spring, whatever its enduring impact on democracy and leadership and order in the greater Middle East, altered the strategic shift of the Obama administration.

No single issue demonstrated the grip that change in the Middle East had on the Obama administration more than the dramatic, renewed search for an Arab-Israeli peace agreement. In May 2011, President Obama said there was a window of opportunity, and he called for a two-state solution with bargaining to begin with the pre-1967 boundaries as a baseline for negotiation. While this gambit outraged Israeli Prime Minister Benjamin Netanyahu, the overture did not seem to please the Palestinians either. Yet perhaps the chief catalyst for the President's bold and risky reengagement was a recent unity agreement between the two Palestinian factions of Fatah and Hamas. Thus, the prospects for Middle East peace remain dim, and all of these activities call into question the pace and extent of the U.S. strategic shift from would-be Middle East quagmires to connecting America with Asian-Pacific dynamism.

As if fiscal constraints and the new Middle East upheaval were not sufficient, the administration also had to cope with the inevitable need to replace some senior officials, including on the Asian policy team. The announcement that Secretary Gates would depart at the end of June, to be replaced by CIA Director Leon Panetta, and that General Petraeus would fill in behind Panetta, suggested a team well acquainted with the administration's policies but still largely fixated on the current wars. Even before the killing of Osama bin Laden, the national security focus in the Southwest Asia had been migrating from a surge in Afghanistan to curbing sanctuaries in Pakistan and stabilizing that nuclear neighbor with a growing radical fringe. The new team seemed likely to be seized with the Pakistani conundrum, which some have equated to a bad marriage in which divorce is not an option.

Meanwhile, the administration bid farewell to stalwart Asian hands, including Deputy Secretary James Steinberg, National Security Council Senior Director Jeffrey Bader, and Assistant Secretary of Defense Wallace 'Chip' Gregson. While able replacements were waiting

in the wings, Asian policy leadership was left in the hands of Assistant Secretary of State Kurt Campbell, the widely regarded strategic thinker with broad bipartisan support and the trust of the very influential Secretary of State.

But other challenges to American rebalancing remained in the enduring trends across the Indo-Pacific region itself. Dr. Campbell and other administration officials were well aware of a new game afoot in Asia, with rising power and influence of not just China but India and other countries in the region. As the administration completed a changing of the guard, at least for its first term, two major challenges took center stage: establishing a stable, predictable policy with China, and managing the coming transition with North Korea.

### **Getting China Right**

The relationship between the world's preeminent power, the United States, the world's leading rising great power, China, may well determine the shape of international security in the decades to come. In America, two schools of thought can be seen in the recent books of Henry Kissinger and historian Niall Ferguson.<sup>1</sup>

Kissinger's narrative sees the Confucian roots in contemporary Chinese decision-making and upheavals. This is a consequential conclusion, because for Kissinger it means that, as China's power ascends, the temptation to wield power the way Europe or even America has done so will be tempered by tradition. Rather than seeking imperial rule, for instance, China will be content with finding its place under heaven, essentially as the regional Middle Kingdom. It is also likely to employ a classical Chinese strategy of playing external barbarians off one another, only occasionally clinching a few of the barbarians into its ambit.

Thus, Kissinger emphasizes civilizational and cultural continuity as the common thread throughout the Chinese history. In contrast, Ferguson emphasizes the simple but dominant theme of power, in a sense that Hans Morgenthau and John Mearsheimer would readily recognize (and indeed which Kissinger would have felt more comfortable with during his more youthful days as a statesman). At the heart of Ferguson's analytical question is this: what if China has not only figured out how to catch up with the West, but has also adopted an imperial Western conception of power?

Ferguson puts the breadth of historical events into the vernacular of the digerati, describing six important institutions and ideas that led to Western ascendancy as 'killer applications.' As had become obvious in the 19th and 20th centuries, the West dominated

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<sup>1</sup> See Patrick M. Cronin, "Ferguson vs. Kissinger on the Future of China, and What It Means for Us," *The Best Defense*, Foreign Policy Magazine Blog, May 17, 2011.

international relations; it did so, according to Ferguson, because it exploited competition, the Newtonian scientific advancement, the rule of law and property rights, modern medicine, a consumer society, and a serious work ethic. The problem, he adds, is that the rest of the world has now downloaded these applications. And no country is now more poised to exploit them than is China.

The speed with which China has incorporated the Western institutions and ideas is breathtaking. Six hundred years ago, a visitor from Mars would have chosen Ming China over the fragmented Western Eurasia as most likely to gain power. Yet in the ensuing centuries, by the time of the First World War, the Western powers (by which Ferguson defines as the 12 empires to emerge from this area) owned 60 percent of the world's real estate and produced 80 percent of its Gross Domestic Product (GDP).

China's rise has happened within our lifetime. When Deng opened China, the average Chinese possessed one-seventieth of the wealth of an American; today it's one-fifth and the differential is closing. Within the coming decade or so, Ferguson believes that a 150-year period in which the United States held the mantle of the world's largest economy (a position we have enjoyed since 1872) will draw to an end forever. And unlike prior to 1872, it will not be one of the other 12 European-born empires that established the West, but rather the Asian power as a result of the 'great reconvergence' in which China, India and others have caught up by downloading the six killer applications.

As Ferguson puts it, "the *status quo* is an illusion." Far from agreeing with the notion that interdependence between China and America will ensure China's peaceful rise, Ferguson declares that, "Chimerica is dead and we are entering a new world in which I think after the change of leadership next year, China will be altogether more assertive and altogether less quiet about its rise...."

This reference to the 18th National Congress of the Chinese Communist Party around the time of the U.S. 2012 general election suggests that Ferguson would probably agree that China's perceived assertiveness in Asia in 2010 was more of a harbinger than an aberration. Disputes over core sovereign interests are likely to grow more contested; Taiwan arms sales are likely to come at a far steeper price if they are to continue at all; and the modernization of the People's Liberation Army is likely to continue to mount. As he suggests, with vast investments in cutting-edge technologies, as well as cyber space and outer space, many believe the PLA is already poised to prevail on tomorrow's battlefields.

In the U.S. policy circles, what passes for strategy often amounts to how to hedge our bets, between the hope of greater convergence and cooperation, and the fear of greater

competition and potential conflict. If Niall Ferguson is right, however, hedging is not a serious strategic choice, because it does not face up to the likelihood that China's use of power offers only stark choices: a serious coalition to balance preponderant Chinese power or appeasement. Most countries in the Asia-Pacific sense the possibility of this emerging dilemma, but believe it would be politically incorrect and potentially premature to jump into that conclusion. Not surprisingly, officials in most countries want to know whether it will be possible to have their cake and eat it too.

Even so, predictions about the future are often mistaken. Ferguson could well be wrong about China, and Kissinger could well prove to be right. The reason why a policy of hedging remains the most compelling policy influence is that there are just far too many uncertainties about the world writ large but especially about China. For instance: Doesn't China's growing mercantilist extraction of global resources also create vulnerabilities in the form of tenuous and protracted lines of communication? While the Internet may feed the Chinese nationalism, might not social media also sow the seeds of the Communist Party's own destruction? And just because China rises does not necessarily mean that the United States, Europe, ASEAN, India and other major power centers have to revert to tribute in the modern manifestations.

Within this broad, long-term strategic context, a recent high-level Sino-American diplomacy can be viewed as positive but baby steps forward. But these baby steps can be quickly reversed, for instance, by additional arms sales to Taiwan or new maritime incidents.

Between the United States and China, economic interdependence is what makes the relationship fundamentally different from the Cold War relationship between the United States and the Soviet Union. At the third Strategic and Economic Dialogue in early May in Washington, D.C., the two sides covered a range of technical issues and cooperative initiatives related to the economy, but they also skirted around their real desired topics. China hoped to press an agenda that forces the United States to deal with its deficit reduction, while the U.S. looked to force China to move much further toward a revaluation of its currency (which is still deemed to be undervalued by as much as 25 percent) and implement greater macroeconomic reforms. To be sure, both sets of reforms will be necessary.

Meanwhile, nuclear nonproliferation also remained a point of political contention. While it would be easy to agree on the priority of advancing global nuclear safety, one suspects far less genuine strategic dialogue when it came to specific countries, namely Iran and North Korea. From the perspective of Beijing, cooperation is pegged to the U.S. willingness to return to the Six Party Talks, recognizing it as the most valuable forum for dealing with North Korea. There is at least a chance—but not necessarily a probability--that this convergence on North Korea policy may transpire, as will be discussed below.

The inclusion of senior military officials at the strategic dialogue for the first time is a welcomed sign of progress, but its significance for the Sino-U.S. security relationship should not be overstated. Discussions on cyber security focused on areas of cooperation, such as identity theft and illicit trafficking. The topics of cyber attacks originating from China, the growing crackdown on media, and Internet freedom proved much harder to broach.

As this author has argued elsewhere with colleague Daniel Gearin, this dialogue demonstrates the reality that real strategy was not discussed. Each country was simply trying to buy time and hope that changes in various tides will provide it with a more advantageous or amenable negotiating position.<sup>2</sup> The United States is hoping for China to evolve and emerge as a responsible stakeholder, while China hopes that its rapid economic and military growth will provide it with more respect and influence globally.

Washington's outlook on China as a whole has moved from an optimistic one in 2009 that a strategic partnership would be fully reciprocated, to a more pessimistic attitude as China displayed its assertiveness during the past year, especially over Taiwan arms sales and maritime issues, to the current, more realistic medium of trying to at least establish predictability to this vital relationship. Given the potential for an all-out arms race or an inadvertent conflict, predictability in the U.S.-China relations would not be a trivial accomplishment.

In his remarks at the opening session of the dialogue, the U.S. Vice President Joe Biden said, "No relationship that's real can be built on a false foundation." Yet, it is equally true that how China and the United States cooperate and compete will shape the strategic landscape across the Pacific and the globe. The existence of this dialogue was a testament to the U.S. leadership, but the true test of how China and the United States engage and cooperate - or fail to do so - is yet to come.

### **Managing Change in North Korea**

North Korea remained a more immediate problem for the Obama administration. Having forged a special partnership with Grand National Party President Lee Myung-bak, President Obama was determined to play a strong supporting role behind South Korea's lead. However, after a while it had become clear that President Lee's principled approach might well need an injection of pragmatism in order to retain sufficient policy agility to pursue American and Korean national interests.

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<sup>2</sup> Daniel Gearin and Patrick M. Cronin, "Sizing Up the Future," *Defense News*, 23 May 2011.

Ever since Lee had moved into the Blue House in 2008, the North Korean regime of Kim Jong-il had done everything it could to pressure President Lee to provide favorable economic terms for North Korea, in line with the previous two governments' variants of the 'Sunshine' policy. Lee was determined not to cave in, and true to his principles he has slowly turned up pressure on North Korea to compel it back to a diplomatic track.

Pressure seemed not to phase North Korea. Missile launches and a second nuclear test were early setbacks to the inter-Korean relations and the Mount Kumgang tourist facility was closed after a North Korean guard shot and skilled a South Korean woman. But these incidents paled in comparison to the two acts of war in 2010: the sinking of *Cheonan* in March and then the unprovoked shelling of Yeonpyeong Island in the fall. Special measures were put in place in May of 2010 in response to *Cheonan*; and then after the shelling South Korea conducted joint exercises with the United States and insisted on an apology before the inter-Korean talks could resume. Interestingly, the Lee administration kept open the Kaesong Industrial Complex, which at present is the major source of hard currency (U.S. dollars) for the North Korean regime.

President Lee's disciplined and principled approach to not reward North Korean aggression is founded on a commendable premise. However, there are at least three reasons to consider seeking a more pragmatic approach in mid-2011.

First, we have to recognize that neither Lee's pressure tactics nor Sunshine policy has achieved the one goal it sought out to achieve: to alter North Korean behavior, particularly with respect to its nuclear program. The May 24, 2010 special measures need to be reassessed. The problem is that not only China has provided an outlet to make up shortfalls from South Korean sanctions; it has now stepped up major investments in the Rajin-Sonbong special economic zone and across the Yalu River. President Kim Jong-il's third visit to China in just over a year appears to have highlighted additional significant economic investments that may be emerging from forcing North Korea to work exclusively with China. Whether or not China is trying to absorb North Korea through economic means, these investments left unchecked could wind up foreclosing South Korean influence and opportunities to advance eventual reunification.

A second reason to seek a more pragmatic approach is to help ensure maximal contact with the North Korean regime that is about to undergo a very uncertain political transition. There is any number of potential contingencies that could arise, but few of them would benefit by virtually no high-level dialogue between the two Koreas and the surrounding powers. And, who knows, perhaps a changing North Korean regime might wish to grasp the chance for reducing tensions. Clearly provocations have not appreciably improved their security



Third, there is also perhaps a domestic political argument to be made on behalf of pragmatic tactics at the moment. Not only should democratically elected governments from time to time take some chance to demonstrate that they are pursuing the public interests, but the Grand National Party (GNP) government would be prudent to ensure that it does not enter next year's general and presidential elections as the government that shut down all contacts. Meanwhile, at least to ensure continuity in U.S.-South Korean relations, it would be easier to segue to the possibility of the Democratic Party opposition winning control of the Blue House in next year's election if the United States were working with what amounted to a bipartisan South Korean approach to dealing with North Korea.

Despite the multitude of challenges (and they are not to be underestimated), there remains some hope for a pragmatic shift that could induce a reduction in tensions, even if only for a while. If nothing else, some of the worst provocations could be put aside while the world waits for Kim Jong-un to emerge with greater responsibility.

## **The Outlook**

The Obama administration's push to shore up engagement in the Asia-Pacific region has been delayed by the agenda it inherited when it took office, as well as the economic and political events that have unfolded since 2009. Even so, the administration has maintained a serious push for more active engagement in the region, centered on strengthening allies and partners. The first focus has been on traditional alliances like the ones with Australia, Japan and South Korea. But the administration has also forged new partnerships that involved bringing India into the region (building on the Bush administration's breakthrough in U.S.-Indian relations), as well as building the capacity and comprehensive partnerships with rising economies such as Indonesia, Malaysia and Vietnam. Working with ASEAN made for goodwill, but progress was bound to take time and commitment, as friends like Singapore had long advised.

The vital alliance with the Republic of Korea was on a steady course, and yet the coming election in South Korea has huge implications both for the direction of the Korean Peninsula and the future synchronization of Korean-American policies. Unfinished business, however, tops the current agenda for Presidents Lee and Obama, with the need for passage and implementation of the Korea-U.S. free trade agreement or KORUS. The two leaders had already successfully delayed the handover of wartime operational control from 2012, a likely turbulent year, to the seemingly safer year of 2015.

A season of election and political change is ahead. In the United States, given the power of the incumbency, President Obama may well be re-elected. In China, the rise of Vice President Xi Jinping to succeed Hu Jintao is well known, but less clear is how the new Chinese leadership

will direct the Chinese economy and ride the tiger of potential political and social pressure. South Korea's election may well be a close one, but the United States will seek a strong alliance with whichever candidate emerges victorious. North Korea's uncertain transition remains a driver and a wild card, as figures like Kim Jong-il's wife and brother-in-law play crucial if ill-defined roles. Further political change in Russia and Japan and elsewhere is also on the agenda for the coming year or two. With so many changes, it seems improbable that these changing leadership positions will not have some effect on policy and strategy.

In the face of all of these uncertainties, the gradual rise of a unique Obama administration foreign and security policy still seems likely to continue. To be sure, one cannot adequately estimate the unpredictable; events such as the global financial collapse, the Arab Spring, the killing of Osama bin Laden, and the 3/11 triple disaster in Japan were not forecast. Despite these uncertainties, as of mid-2011, the likelihood remains for the Obama administration to continue its slow but steady and persistent focus on rebalancing to Asia.

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\* The views expressed herein do not necessarily reflect the views of the Asan Institute for Policy Studies.

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