The Evolving US Approach to Regional Community Building **Engaging in Asia:**

JAMES GANNON

When Obama administration officials began proclaiming that "the United States is back in Asia," they were scoffed at by some Asia hands from previous administrations who wondered aloud when the United States had ever left. But the sentiment was greeted enthusiastically by many of America's friends throughout the region, even if they had heard similar slogans before.

One reason for their sense of relief was that it had become obvious that something important was changing in the region. Asia's economic dynamism has started to make it a more central player in global affairs. At the same time, China's rising power, coupled with impressive economic development in countries elsewhere around Asia, has been driving a fundamental shift in the regional balance of power. Meanwhile, the traditional concept of sovereignty and state-to-state relations has been challenged even in this most Westphalian of regions by globalization, both in the form of the steady integration of regional economies and the explosion of nontraditional security challenges that cross borders and are too complex to be tackled by individual governments on their own.

Immediately after the 1997–1998 Asian financial crisis, East Asian leaders launched a new round of efforts to build up regional institutions that could better manage their growing interdependence. The aim was not political integration as in Europe, but merely to build regional cooperation. And to the surprise of many skeptics, these took root in a way that earlier initiatives had not. A decade later, it was clear that the new alphabet soup of forums was becoming an integral part of the emerging regional order, even if the terms rolled out to describe it—"East Asia community," "regional architecture," and so on—were vague and imprecise.

By the time the Obama administration came into office, it had become apparent that a competition to shape the regional order was playing out in the various efforts to build up an East Asia community. However, the United States, which had long been the predominant military, economic, and political force in the region, was still not actively involved in the new Asia-centered institutions, instead sticking to its longtime approach of relying primarily on broader Asia Pacific forums and bilateral relationships. To many observers who shared America's values or believed that the US presence brought greater stability to the region, it seemed that while the United States had not actually left the region, it was nevertheless being left behind as the region moved ahead.

In this context, it is encouraging that the Obama administration has dipped its toe into the waters of Asian multilateralism with its policy to "engage" more with regional institutions. Its initial moves have generally succeeded in furthering American strategic interests by making the United States more relevant in the debate over the emerging regional order, even if these steps have been fundamentally reactive and tentative. However, an examination of US interests in Asia's trajectory makes it clear that an even more proactive approach to East Asia community—building efforts is needed as part of a broader US effort to shape the future of this dynamic and vital region and to make good on its promise to be "back in Asia."

EVOLVING US VIEWS OF REGIONALISM IN EAST ASIA

America's experience with regionalism goes back 120 years to its initial efforts to build ties with its Latin American neighbors. Later, in the immediate aftermath of World War II, it also became active in regional multilateralism outside of the Americas, encouraging the creation of a European community that could both ensure that future wars on the continent would be unthinkable and serve as a bulwark against Soviet expansion. It strongly supported the creation of regional institutions that

did not include the United States, such as the European Common Market and the European Coal and Steel Community—to such an extent that policy experts began to worry that too much US pressure in this direction might be counterproductive. In marked contrast to later fears of a "Fortress Europe," in 1949 the US Congress even went so far as to declare European unification to be the policy goal of the United States.

The United States made similar, although much less successful, efforts during the Cold War to encourage the development of regional organizations in Asia, such as the Southeast Asia Treaty Organization (SEATO). However, by the end of the Cold War, the United States had become openly hostile to Asian efforts to build regional institutions. In 1990, when Prime Minister Mahathir Mohamad proposed the establishment of an East Asia Economic Caucus, the United States reacted vehemently, with some labeling it the "caucus without Caucasians." Secretary of State James Baker characterized it as a dangerous idea that would "draw a line down the Pacific" and famously worked to kill the proposal.

Throughout the 1990s, the United States maneuvered to channel the impulse for regional community building into "Asia Pacific" institutions rather than Asia-only ones. Early in the decade, the Clinton administration combated Asia-only proposals by actively supporting efforts to bridge the Pacific with Asia-Pacific Economic Cooperation (APEC). Later, when Asian countries came forward with proposals for Asia-only groupings, such as the Japanese plan to establish an Asian Monetary Fund during the depths of the 1997 financial crisis, they were met with reflexive hostility. Even though it was not clear if it was ever a serious proposal, the Asian Monetary Fund was perceived by the US Treasury as a threat to US influence in the region and was quickly quashed.

However, by the advent of the George W. Bush administration, the US approach to East Asia community—building efforts had evolved into something that could best be described as being closer to benign neglect mixed with skepticism. While the 9/11 terror attacks brought home the reality of nontraditional security threats that were transnational in nature, the Bush administration quickly became preoccupied with Islamic terrorism and the Iraq War and never mustered the attention or energy to address long-term issues in Asia in a sustained manner. At the time, there was some concern in policy circles, particularly among the "China threat" theorists, that initiatives such as the East Asia Summit were stealth attempts by China to chip away at US influence in the region. However, most Asia experts viewed the emerging efforts to build a

regional community as just "talk shops," concluding that no meaningful movement toward building regional institutions was likely in the near future in a region as diverse as Asia.

American Attitudes toward Community Building in East Asia

Today, US attitudes toward regional community building in Asia have evolved markedly from the hostility of the 1990s. Foreign policy elites in the United States have become aware that important developments are unfolding in the region, and even if they are unclear on what it all adds up to, they seem increasingly concerned about being left out of anything important. These attitudes are inextricably tied up with complex feelings about China, which is portrayed in the American media as making gains in the region that are likely to come at the expense of the United States. All the same, the number of pressing foreign policy challenges that confront the United States—from war in Afghanistan to instability in Yemen—tends to relegate longer-term questions about the shape of Asia to the second or third tier of priorities among foreign policy elites, and even further down in the consciousness of the general public.

To gain a clearer understanding of the currents and crosswinds affecting US approaches to community building in East Asia, it is useful to look at how regional issues are perceived in different circles that have an impact on America's Asia policy: the general public, policy elites, the US Congress, and the Obama administration.

PUBLIC OPINION: Asia accounts for an increasingly significant portion of America's economic well-being, Asian cultural influences have become omnipresent in day-to-day life in the United States, and human connections with Asia have grown. However, it appears that the average American still remains less comfortable with Asia and less knowledgeable about it compared with other regions of the world. No major polling organization has surveyed US public attitudes toward regional community-building efforts in Asia, presumably because this is such an unfamiliar issue, but it is safe to assume that the average American has neither heard of "East Asia community" nor is familiar with any of the acronyms in Asia's alphabet soup of regional organizations. This has left US public attitudes toward regional community-building efforts preliminary and unformed.

Looking ahead, however, one issue that has the potential to color public opinions of regional community-building efforts is US-China relations and the perception that China may be aiming to dominate the region. In a 2010 poll conducted by the Chicago Council on Global Affairs, 65 percent of Americans surveyed indicated that they were "very worried" or "somewhat worried" that China is likely to pose a military threat to the United States in the future.²

Another trend that may someday have implications for US approaches to community building in East Asia is American's tendency to be skeptical and suspicious of regional institutions and multilateral organizations in general. To an extent, this is linked to vague fears that the United States—a country where "states' rights" movements to limit the domestic authority of the central government still resonate deeply—may eventually feel compelled to cede a degree of sovereignty to supranational institutions. While these concerns may not be firmly rooted in reality, those holding such views still vote. As one illustration, US ambivalence about the UN runs so deep that a person as publicly critical of its very existence as John Bolton could be dispatched to represent the United States in its deliberations. Similarly, American attitudes toward regional institutions and agreements in which it participates are also complex enough that a majority of Americans believe that US membership in the North American Free Trade Agreement (NAFTA) has hurt their country.3

For the time being, though, the emergence of an East Asia community seems such a peripheral issue for the American public that there is little danger of attitudes being swayed by the American ambivalence about multilateral organizations or perceptions of China. However, it is possible to envision scenarios in which perceptions of these issues could begin to shape public opinion on regional community-building efforts.

US FOREIGN POLICY COMMUNITY: In the absence of deeply held public opinions on East Asia community building, it would be natural to expect that the attitudes of policy elites would shape US approaches. However, the concept of an East Asia community also seems to be a relatively unfamiliar and low-priority issue for most US foreign policy experts who do not specialize in Asian affairs.

Among the generalists who do pay attention to efforts to build an East Asia community, their interest is linked to the debate over a rising China and fears that it may be a scheme for China to dominate the region. These attitudes tend to color media reporting, which often portrays any show of support for Asia-centric regional community building—such as Japanese Prime Minister Yukio Hatoyama's 2009 statements on the matter—as an indication of whether leaders or countries are leaning more toward China or the United States. In this sense, it appears that elite US attitudes toward an East Asia community are linked to the dynamics of the trilateral China-Japan-US relationship.

Meanwhile, among Asia specialists, one gets the sense that there are growing sentiments that the United States should be paying more attention to community-building efforts and that these may be positive for the region as a whole. This is given credence by a 2008 Center for Strategic and International Studies (CSIS) poll of "strategic elites" around the Asia Pacific region, which found that more than 70 percent of US policy experts support the concept of building an East Asia community, a number that is surprisingly high. This thaw in attitudes toward regional community-building efforts has been accompanied by a concern that if the United States does not engage more in regional institutions, its influence in the region will eventually diminish.

US CONGRESS: By and large, there is little understanding in the US Congress of the nature of regional community-building efforts in East Asia, and people tend to overestimate the substance of these initiatives, conjuring up images of an Asian analogue to the former European Economic Community. More generally, there is minimal political appetite for bilateral or multilateral initiatives, such as trade agreements, that can be portrayed as hurting US jobs or as ceding any modicum of US sovereignty. Even when the United States acceded to the Treaty of Amity and Cooperation in 2009, the Senate Foreign Relations Committee and the Obama administration agreed that this would come into force as an executive agreement rather than as a treaty, which would normally require a two-thirds vote of the Senate. Its obligations were seen as flexible enough and its priority low enough that there was consensus that it did not require a vote, but the fact that this course was quietly taken also implies that there were concerns that it would not easily pass in the Senate. In fact, this was only the second time that the US Senate has ever agreed to allow an international agreement with the term "treaty" in its formal title to be exempted from the constitutional requirement of a Senate vote, and the first time was on a narrow, technical agreement.

Fortunately, some of the key figures associated with the Congressional committees most relevant to foreign relations are well attuned to the need for the United States to be more engaged in Asia, and a small handful of legislators seem to have a relatively good grasp of the development of Asian regional institutions. Nonetheless, the Congress's greatest impact on the US regional approach comes through its role in trade policy, where it has hampered full-fledged US involvement in regional institutionalization. For example, it is well known that influential Democrats have insisted on strong labor and environmental standards that make it difficult for the United States to keep pace with the other countries forging FTAs in the region.

OBAMA ADMINISTRATION: By the time the Obama administration came into office, the United States had been bogged down in taxing wars, in Iraq for nearly six years and in Afghanistan for more than seven. The American people had grown weary of hearing how much resentment had built up toward the United States around the world and even if they may be fundamentally inclined toward unilateral action, they seemed painfully aware of how it had failed for the Bush administration. These feelings were compounded by the traumatic economic crisis of 2008–2009, which at least for some pundits and policy analysts underscored the limits of US power. Against this backdrop, it was natural for the new president to make openness to multilateralism and an emphasis on greater burden sharing by other countries two cornerstones of his foreign policy.

These principles have naturally been reflected in the Obama administration's Asia policy, both in the conviction that the United States should participate more fully in regional multilateralism and in the administration's wish for regional cooperation to play a greater role in dealing with the challenges of the day. The desire to be more engaged in Asia has, at the very least, gained the rhetorical support of all of the key players in the administration. President Barack Obama has played up his personal ties to Asia, forged through childhood experiences in Indonesia, in explaining why deeper US ties to Asia are critical. Secretary of State Hillary Clinton has consistently placed priority on being more involved in the region, and most of the cabinet members heading the other agencies relevant to foreign policy are well attuned to the key issues in Asia. Meanwhile, the senior officials under them who are charged specifically with handling Asia policy have nuanced

views on the implications of China's rise, tend to be of the opinion that greater regional cooperation can be beneficial for the United States and its friends, and are sincere about the need for the United States to become more engaged. For instance, the administration's point person on Asia policy, Assistant Secretary of State Kurt Campbell, has long been a strong proponent of the argument that the United States needs to play a greater role in Asia's multilateralism.⁴

US Interests and Constraints

American policymakers' attitudes toward multilateralism in East Asia have evolved in recent years precisely because many have started to recognize that the United States has a growing set of interests in Asia that cannot be pursued solely through bilateral means and that, in fact, require greater regional cooperation. The considerations described below carry particular weight in their thinking.

RISE OF CHINA: Over the long run, a top priority of the United States in Asia is to shape the regional security environment so that no major power effectively challenges the United States on military terms and to ensure that the regional balance of power remains conducive to US interests. The rise of China is the key issue over the long term. Despite periodic rhetoric from the right, containment has not been a viable policy option for the United States over the past three decades. Rather, successfully shaping the regional security environment seems to require integrating a rising China into a regional and global system as a "responsible stakeholder" while hedging against the possibility that Chinese foreign policy could evolve in a more hostile and assertive direction. As became starkly apparent during the 2008–2009 financial crisis, the prospects of the United States and China are deeply interlinked, making the maintenance of cooperative bilateral relations a high priority for both countries. Against this backdrop, some US policymakers seem to be increasingly convinced that involvement in community building in East Asia can be one means to help integrate China into the region in a way that is beneficial for everybody.

REGIONAL STABILITY: Another priority is maintaining regional stability. Much attention is given to the need to ensure that the two major

flashpoints in the region—Taiwan and North Korea—do not erupt into violence, but there is also a need to guard against major power conflict in the region, particularly between Japan and China. US leaders became more attuned to the need to keep China-Japan relations on an even keel in 2005, when bilateral tensions reached fever pitch over maritime territorial disputes and disagreements over the interpretations of war history, culminating in anti-Japanese riots throughout China. American officials realized that the United States would ultimately be dragged into any conflict between the two countries, and they worked feverishly behind the scenes to encourage both countries to ratchet down tensions. For a long time, though, it was difficult for Chinese and Japanese officials to meet bilaterally on any issue without the dispute over history issues derailing their discussions; the only venues in which they could make progress on other issues were multilateral ones. While China-Japan relations have recovered to some degree since then, there are limits to how fast and far the two countries can move at the bilateral level. In this sense, it seems that regional initiatives that encourage China-Japan cooperation in a multilateral context can play a role in making a resumption of tensions less likely and more costly.

NONTRADITIONAL SECURITY THREATS: Asia faces an increasingly complex set of nontraditional security challenges that cross borders and cannot be effectively handled by individual countries on their own. The 2003 severe acute respiratory syndrome (SARS) outbreak demonstrated how vulnerable the region is to communicable diseases; the devastation wrought by the 2004 tsunami and Cyclone Nargis in 2008 drove home the point that Asia is increasingly susceptible to natural and manmade disasters; and North Korea's involvement in the A. Q. Khan smuggling network has pushed the issue of weapons of mass destruction (WMD) proliferation up higher on the regional agenda. American policymakers realize that such nontraditional security challenges have real implications for US interests in the region, and leaders in the region recognize that the United States possesses the unique capacity and resources to make regional cooperation in dealing with these issues effective. In the past, the United States has tended to resort to ad hoc initiatives to respond to crises as they happen, but the growth of nontraditional security challenges is helping make a stronger case for institutionalizing regional cooperation in a more sustainable manner.

ECONOMIC INTERESTS: The United States also has important and growing economic interests in the region. East Asia accounts for nearly a third of its trade and an increasing proportion of its investment, and the region has started playing a role as an engine of global economic growth.5 China is projected to surpass the United States as the world's largest economy at some point before 2050, and it is clear that other East Asian countries will continue assuming greater weight in the world economy as well.⁶ The United States thus has a fundamental interest in ensuring that it is not disadvantaged in Asian markets and in encouraging the development of trading and financial rules that play to its economic strengths. If all else were equal, this might argue for encouraging the region to take a World Trade Organization (WTO)-centric or APECcentric approach toward trade liberalization. However, the paralysis of the WTO process and the lack of momentum in APEC make these options increasingly problematic, even as regional efforts to provide an institutional framework for economic integration threaten to leave the United States behind.

SUSTAINABLE ECONOMIC AND POLITICAL DEVELOPMENT: In the end, economic development and the spread of norms of democratic governance, respect for the rule of law, and the protection of human rights provide the only sustainable way to achieve the regional stability that is in the interest of the United States and other countries in the region. Also, progress in these areas better equips the region to effectively respond to the increasingly diverse and complex transnational security challenges it faces. Regional institutions can serve as one channel to spread norms and encourage the type of sustainable development that is in the interest of the United States.

LINKAGES WITH GLOBAL INSTITUTIONS: As a global power, the United States cannot afford to focus on regional issues alone; it also needs to consider them in a global context. It is natural that US policymakers tend to approach regional institutions from the standpoint of how they can be leveraged to move forward on global objectives and challenges. The linkage between global issues and regional cooperation in East Asia has grown even stronger in recent years as developments in the region have become increasingly consequential for the entire world. For example, progress on the transnational security threats in which the United States feels it has the greatest stake—climate change, WMD

proliferation, and infectious disease—depends largely on what can be done in East Asia.⁸

The linkages between regional and global forums have been further strengthened by the growing economic clout of the region, which is starting to result in a greater voice for Asia in global institutions, particularly in the aftermath of the 2008–2009 financial crisis. Eight members of the G20 (Australia, China, India, Indonesia, Japan, Russia, South Korea, and the United States) either are resident in East Asia or are key participants in regional institutions, and a pattern of "baton passing" has emerged in which the same set of individuals who are meeting in the G20 format then pick up their discussions in regional forums, such as APEC or the ASEAN Regional Forum (ARF), as well as in bilateral settings before their discussions eventually rotate back to global forums.

LIMITS ON ENERGY AND RESOURCES: The growing interests that the United States has in focusing on Asian multilateralism are matched by constraints on its action-most critically, the fundamental limits on the attention of US leaders. All US presidents face the "tyranny of the in-box," as the demand for action on issues around the globe compete with pressing domestic needs and political imperatives. However, President Obama inherited a set of domestic and foreign policy challenges even more daunting and diverse than those that have faced any new president since Franklin Delano Roosevelt, running the gamut from the imminent collapse of the US financial system to two hot wars. The need to respond to these crises makes it difficult for the administration to invest much high-level energy in long-term issues such as the future shape of East Asia. The limits on the amount of attention that key figures in the administration can afford to devote to any long-term issue are compounded by the economic crisis and the need to battle budget deficits, which also constrain the financial resources that the United States is capable of mobilizing for new initiatives.

THE OBAMA ADMINISTRATION'S EMERGING APPROACH

Given the interests and constraints shaping US policy on Asia, the newly elected Obama administration could have pursued a range of options in response to the apparent emergence of a regional community. For one,

it could have quietly sought to undermine efforts to build up regional institutions, especially those without US involvement, as the United States had done in several instances in the past. Alternately, it could have continued the Bush administration's low-key approach to the region, relying almost exclusively on bilateral relations and ad hoc coalitions to deal with common challenges and help shape the future of the region. Third, it could have expanded its engagement with existing institutions, working to strengthen them and create habits of cooperation in the region. Lastly, it could have championed its own vision for a regional Asia Pacific architecture and played an active role in inducing its allies and other key players to follow its lead in implementing it.

For the time being, the Obama administration has taken preliminary steps toward the third option, although it has yet to do the real heavy lifting necessary to make this a success. And even when it does, there will be natural limits to this approach.

The current US approach can be described as having four main elements: the maintenance of bilateral relations, the projection of a more active presence at the strategic level of regional architecture, the exploration of deeper US engagement in the field of economics, and a similar exploration in the field of security broadly defined.

Bilateral Relations as the Foundation of US Involvement

Any discussion of US involvement in Asia has to begin with bilateral relationships, which have been practically the only thing that really mattered for the United States over the past half century. The US "huband-spoke" approach, which is predicated on alliances with five countries in the region—Japan, South Korea, Australia, Thailand, and the Philippines—proved successful during the Cold War and its aftermath in providing a security guarantee to the region and in helping to create conditions conducive to the extraordinary economic and political development that many of the region's countries have experienced.

Continuing the policy of its predecessors, the Obama administration has sought to consolidate its alliance relationships while deepening cooperation with other countries in the region. So far, it appears to have succeeded in improving relations with most countries in East Asia. It has made great strides toward closer alliance cooperation with Seoul. Its relations with Southeast Asia have also strengthened dramatically.

Perceptions of the United States have improved throughout the region, ties with major regional players such as Indonesia and Vietnam are markedly stronger, and the United States even has gone to lengths to forge a new strategy of "pragmatic engagement" with the junta in Burma. There have been some tensions with China, but building on initiatives undertaken by the Bush administration, it has instituted a strategic and economic dialogue with Beijing and placed special priority on expanding US-China cooperation. The only prominent exception has been Japan, where official relations initially suffered due to mutual miscalculations and difficulties adapting to domestic political change.

US engagement in East Asia will clearly continue to be based on the foundation of its bilateral relations. In a January 2010 speech at the East-West Center in Hawaii that outlined the US approach to Asia's regional architecture, Secretary Clinton noted, "The United States' alliance relationships are the cornerstone of our regional involvement." This is not solely because the United States continues to find bilateral relations to be the most effective and reliable tools to meet its regional interest. It is also because there is a growing appreciation in the United States and around the region of the way that stable and strong bilateral relations can help create an environment in which regional cooperation can flourish.

For example, over the past several years, policy thinkers in US allies such as Japan and Korea have begun to question how much the United States is willing to risk in order to meet its alliance obligations to defend their countries. This has important implications for their relations with other regional powers. As one illustration, tensions between China and Japan have run high partly because of China's growing assertiveness and partly due to an understandable Japanese unease about the growing military clout of its neighbor, especially at a time when Japan's relative power is in decline. Any US moves to reassure Japan about its security are likely to encourage Japan to interact more calmly with China, decrease the probability that China will be tempted to behave more assertively toward Japan, and help avert the possible escalation of China-Japan tensions, misperceptions, and overreactions. The net result is likely to be the creation of space for regional cooperation to emerge, including the types of cooperation that can further American interests.

Showing the Flag

Woody Allen famously quipped that 80 percent of success is just showing up. In keeping with this wisdom, the most noticeable shift in the US stance toward East Asia under the Obama administration has been its concerted effort to project a greater US presence in the region. President Obama addressed concerns about the US absence from regional forums in a November 2009 speech in Tokyo, declaring, "I know the United States has been disengaged from these organizations in recent years. So let me be clear: those days have passed." Calling the United States a "Pacific nation" and characterizing himself as "America's first Pacific president," he essentially pledged that the United States is back in Asia to stay.

So far, his administration has managed to get the symbolism right. The first foreign head of state invited to the White House was an Asian, Japanese Prime Minister Taro Aso, and for the first time in nearly 50 years, the inaugural overseas trip by a new US secretary of state was to Asia. In her first year, Secretary Clinton scheduled four trips to the region (although the fourth was cancelled at the last minute due to the January 2010 Haiti earthquake). And, in 2009, President Obama helped inaugurate the first US-ASEAN leaders meeting and the United States named its first resident ambassador to ASEAN.

In her January 2010 address, Secretary Clinton outlined five principles to guide the renewed engagement with the region. Two of these should be considered more important than the others. One is that the central regional institutions should be results oriented, and the other is that all of the region's key stakeholders—starting, of course, with the United States—should be involved in the region's defining institutions. This echoed President Obama's declaration a few months earlier in Tokyo that "the United States expects to be involved in the discussions that shape the future of this region."

To make good on the promise to play a more active role in the region's emerging institutional framework, the United States acceded to the Treaty of Amity and Cooperation as the first step toward full US participation in the East Asia Summit. Then, in July 2010, President Obama's intention to participate in the summit the following year was made known. This move to be reengaged in the region was reinforced that same month in Hanoi, at the annual ARF meeting, by a remarkable show of coordination between the United States and other countries

in the region in presenting a unified front toward China regarding the South China Sea.

Muddling through on Trade and Finance

While the Obama administration has talked about its desire to be actively engaged in community building in East Asia at the overarching strategic level, it has not articulated a vision for US involvement in the regional institutions dealing with trade and economics. This seems to be partly rooted in the domestic political constraints that the Obama administration faces in pushing forward trade agreements and partly due to the fact that it is not clear to the Obama administration how best to pursue its economic interests in the region.

In a sense, the key achievement so far for the Obama administration regarding trade is a story about what did not happen. Taking office in the midst of the worst financial crisis since the Great Depression and having won the election with strong support from unions and other constituencies skeptical of free trade, there were intense pressures on the Obama administration to institute protectionist measures, especially in response to massive trade imbalances with China. Some gestures were made in this direction with the "Buy America" provisions of the February 2009 economic stimulus bill, but by and large the new administration managed to hold the line against protectionism.

When one ventures beyond this, though, the picture of the Obama administration's trade policy is murky. There seems to be concern about the proliferation of FTAs in Asia that do not include the United States, if not because there is evidence that trade is actually being diverted, then perhaps because of the contrast between America's relative silence and China's activity on multiple fronts. Meanwhile, the lack of US enthusiasm for APEC as a vehicle for trade liberalization has become palpable. While American officials give lip service to the goal of establishing a Free Trade Area of the Asia Pacific (FTAAP), they readily admit it is not achievable in the foreseeable future and are doing little concrete to push it forward. Meanwhile, the United States is pushing forward with negotiations to join the Trans-Pacific Strategic Economic Partnership Agreement (TPP), which currently includes the small economies of Brunei, Chile, New Zealand, and Singapore but may be expanded to include Australia, Peru, and Vietnam. This effort appears to contradict

the FTAAP goals, at least in the short term, by focusing just on a handful of the smaller countries in the region.¹⁵

Congressional politics have made it very difficult for the United States to make concrete progress on the types of trade deals that have become so popular in East Asia, and Asian leaders are well aware that they need to be careful about how much political capital to invest in negotiating FTAs that may never be approved by the US Congress. It is not clear whether—at least without the kind of strong presidential leadership that has not been forthcoming so far—the United States will be able to bring any significant trade deals with Asian powers to fruition in the near future. In this context, all eyes are on the Korea-US FTA (KORUS), which, although signed in June 2007 at considerable political expense to then President Roo Moo-hyun, was still waiting to come to the floor of the US Congress at the end of 2010. If this agreement does not win approval, it is difficult to envision how President Obama could manage to pursue other meaningful bilateral or regional trade deals in Asia.

This leaves the United States facing a dilemma. Movement on trade liberalization in the WTO is stalled. In the absence of any progress on the global level, the United States faces pressures to project its strategic presence by showing it is more deeply engaged in Asia on the economic front, and it also feels compelled to ensure it is not put at a disadvantage in the region's evolving economic architecture. However, there are strict limits as to how fast and far the United States can move on trade. So at the moment, it seems that the United States has settled for a strategy of trying to compete in terms of setting and harmonizing standards for FTAs through the TPP. By taking this approach, the United States seems to be trying to pluck the low-hanging fruit by negotiating a regional agreement with countries with which it already has achieved bilateral FTAs or could theoretically do so with little difficulty. Of course, it is not clear that the United States can even conclude and ratify a workable TPP deal. There will be intense pressures, for instance, to ensure that any agreement that includes potential TPP members such as Vietnam will have guarantees of workers' rights, which those countries will find very difficult to accept. However, for the time being, the US push on the TPP is at least providing evidence that it is more committed to being a player in regional trade liberalization and it also has the benefit of putting pressure on others in the region to focus on a higher standard for FTAs.

On the financial side, the Obama administration is continuing the long-running US policy of emphasizing global action over regional initiatives, particularly through its reliance on the G20 and other global institutions. The main US initiatives in the region will likely need to be on exchange rates, which the United States considers to be a global issue, but which will play out primarily on the bilateral level with China. Pressures for the United States to aggressively address the undervalued Chinese yuan are likely to persist for the time being, and the dynamics surrounding the yuan debate may complicate the US approach to an East Asia community, even though US officials are going to great lengths to keep bilateral tensions under control.

Expanding Nontraditional Security Cooperation

The mantra among American specialists speaking about East Asia has long been that meaningful regional security cooperation is especially challenging given the divergent interests, political systems, and histories of the region's powers. Moreover, it is in the realm of security that the United States has been most prominently dependent on a hub-and-spoke approach. Nevertheless, this is one area in which the Obama administration seems intent on pushing forward more than its predecessors.

In fact, in listing its basic policies in the February 2010 report on the Quadrennial Defense Review (QDR), the US Department of Defense, which has been historically associated with a heavy reliance on bilateral relations in Asia, noted that even while the foundation of the US presence in Asia remains its alliance relationships, "the regional and global security environments are more complex today," and this "requires a more widely distributed and adaptive US presence in Asia that relies on and better leverages the capabilities of our regional allies and partners."16 The 2010 QDR goes on to note that one aim of the United States in Asia is "encouraging the continued development of multilateral institutions and other integrated approaches to regional security affairs."¹⁷ This is the first time since its inception in 1996 that the QDR has ever cited the promotion of multilateral institutions in Asia as a priority. (Tellingly, the term "multilateral" comes up 17 times in the 2010 QDR. In contrast, it was only used 4 times total in the previous three QDRs, signaling how much Defense Department thinking has shifted in this direction.)

One reason for the increasing US emphasis on multilateral security cooperation in Asia is that US diplomacy in the region is moving beyond a sole focus on traditional "balance of power" considerations to place greater priority on transnational, nontraditional security challenges. Invariably, Obama administration officials' statements on the security challenges facing the region give high billing to nontraditional issues such as climate change, WMD proliferation, natural disasters, and the societal destabilization that tends to accompany poverty and extreme income inequality. To some degree, this could be interpreted as an effort to avoid too great of a focus on tensions with China, which would be counterproductive, or on the on-again, off-again negotiations with North Korea, which seem bound to continue frustrating the United States and its allies. But there has also been a substantive shift in US threat perceptions toward giving greater weight to the types of transnational problems that have become more pressing in Asia in recent years. This has led US policymakers to the conclusion that, as Assistant Secretary of State Kurt Campbell has put it on several occasions, a more multilateral American approach to security in Asia is needed because "our strength cannot be a substitute for cooperation. The rapid emergence of transnational security challenges demands collective action."18

The growing desire to push multilateral security cooperation on nontraditional issues as a complement to America's bilateral alliances is manifested in the increasing US support for the ARF. So far, this ranks as the Obama administration's most notable shift in its approach to the region's security architecture. In Secretary Clinton's East-West Center address, she identified the strengthening of the ARF as a leading example of how the United States wishes to expand regional security cooperation. This represented a significant break with her predecessor, Secretary Condoleezza Rice, who ruffled feathers by missing two of the annual ARF ministerial meetings in her four-year tenure. The main thrust of Secretary Clinton's new engagement in the ARF is to encourage it to move beyond dialogue to "focus increasingly on action." 19

In particular, one of the key areas where the United States is eager to strengthen capacity in regional institutions is on disaster relief. In fact, the 2010 QDR notes that one priority for the US military in the region will now be to "build the capacity of Asian partners to respond more effectively to contingencies, including humanitarian crises and natural disasters." This is the area where the United States has been pushing hardest for the ARF to assume greater responsibility, and there have

already been signs of progress, most notably the first-ever ARF joint disaster relief exercise, held in May 2009. Another area of growing focus in the region is liable to be on climate change. This has been telegraphed by the State Department's inclusion in its 2010 budget request of a sevenfold increase for official development assistance funding allocated for activities related to climate change in Asia.²¹

ADDING IT ALL UP

So far, the Obama administration's recalibration of US Asia policy has succeeded insofar as it has started to create a sense that the United States really is "back" in Asia. The new administration has gotten the symbolism right in projecting a more active US presence in the region, which has changed the dynamics of regional perceptions. This alone counts as an important accomplishment.

For all that has changed tonally, though, there is still considerable continuity with the approaches of previous US administrations, both for better and for worse. US involvement in the region is still firmly based on the foundation of its bilateral alliances and partnerships, although now it has moved further in the direction of a "bilateralism plus" approach that reserves a supplementary role for multilateral initiatives. Also, like its predecessors, the Obama administration has strongly emphasized the pursuit of concrete, attainable results over consensus building and vague, ambitious, long-term goals. However, in contrast to the Bush administration, which took the shortcut of relying almost exclusively on ad hoc coalitions, the Obama administration at times seems willing to bet on a more farsighted approach of encouraging existing institutions to expand their capacity to deal with the challenges that bedevil the region.

Another area of continuity involves the lack of a coherent and proactive US vision for regional multilateralism. Although many American leaders, starting with the president, are quick to cite the growing importance of Asia in global affairs, the rhetoric of public pronouncements has yet to be matched by the articulation of a long-term strategy for the region or convincing evidence of a deep US commitment to project leadership in nurturing sustainable regional institutions. Instead, the United States seems stuck in a reactive mode, carried along by developments on the ground rather than taking more proactive, long-term steps

to channel the forces emerging in the region. As a result, the Obama administration's effort to show it is "back in Asia" can best be seen as a welcome, but fundamentally defensive, measure to keep its options open in the emerging competition to shape Asia's future.

To be fair, the current US approach of maintaining just enough involvement in regional community-building efforts to ensure it is not left behind has been a perfectly understandable response to the state of affairs in East Asia. As a global power with an overloaded domestic and international agenda, there has been only a limited amount of attention and political capital to spare for regional community building. Plus, there have been good reasons to be skeptical about the significance and staying power of the various initiatives to build regional institutions.

However, fundamental changes in the region and in US-Asia relations are likely to force the hand of the United States, requiring it to take a more concerted and proactive approach or risk the erosion of its ability to help shape the regional order. The last decade has provided ample evidence that East Asia has progressed to the point where some of the various regional community-building initiatives are likely to have a lasting impact. This is reinforced by the sense that stronger and more effective institutions are needed to help manage developments in the region. Moreover, the rise of China, the increased complexity of the nontraditional threats to regional security, and the fact that a new fiscal austerity in American foreign policy is likely to make burden sharing even more crucial for the United States are all likely to raise the stakes that the United States has in the course of multilateralism in East Asia.

In particular, there are four areas where the limitations of the current US approach are likely to become increasingly evident, helping push the United States to a point where it needs to decide whether to take a more proactive stance on regional institutions. First, the Obama administration's approach to regional community building has thus far relied heavily on symbolism, but it is nearing the time when it will have to match rhetoric with action to retain its credibility. Now that Asian expectations of a more active US role have been raised, it is important for American leaders to actually follow through on their promise to show up at regional forums. President Obama's postponement of two trips to Asia during the first half of 2010 highlights how easy it can be for America's regional involvement to slip to the back burner when

there are so many other domestic and foreign policy priorities competing for attention.

Still, merely showing up is not enough over the long run. Some Asian leaders may be satisfied just to see top US leaders attending regional meetings year after year, but a growing number will become jaded before long if this is not backed up by concrete US action to help strengthen regional cooperation. From the standpoint of the United States, too, it is not sustainable for the president or secretary of state to spend so much energy visiting the region without having some "deliverables" to show for this.

A second fundamental issue involves the question of how the United States will react if—and most likely when—Asia's existing institutions prove incapable of responding effectively to the challenges of the times. For example, while it is both admirable and wise for the United States to push for the ARF to become a more action-oriented institution, it is difficult to imagine how it might move far enough in this direction to respond sufficiently to the pressing nontraditional security challenges facing the region. The ARF is fundamentally a consensus-based organization. Members such as Burma and China, which need to sign off on its activities, are likely to continue giving priority to the principle of nonintervention over efficacy. In light of how the Burmese junta tried to limit access for relief workers and supplies in 2008 after Cyclone Nargis, it is doubtful that the US commitment to encouraging the ARF to play a key role in disaster relief and humanitarian assistance would survive the paralysis of the forum under similar circumstances in the future.

Third, one of the main drivers of East Asia is the creeping integration of the region's economies, and much of the discussion of regional community is fundamentally about economics. However, the Obama administration has not yet articulated a compelling trade policy, and the president is bound to continue having difficulties in navigating the domestic politics of this issue. This leaves the United States in an awkward position, and it is unclear whether initiatives such as the TPP will be enough for it to further its economic interests in Asia.

Finally, the divergence in American and Chinese views about the future shape of the region is likely to become starker as time passes. For one, it would be natural for regional community building to become an additional area of US-China rivalry as the United States works to become more involved in Asia and as China becomes stronger and more assertive. The region has already witnessed disagreements over

the membership in regional institutions between Japan and China, with China backing narrower, Asia-only groupings while Japan pushed to include countries with more democratic values such as Australia, New Zealand, and India. It would be no surprise were similar jockeying to emerge between China and an increasingly engaged United States.

Moreover, it is hard to avoid the fact that one of the key issues at the heart of regional multilateralism is the question of how to best adapt to and manage China's rise. Most Asian leaders seem to desire greater US engagement in the region as a counterbalance to potential Chinese domination.²² Meanwhile, many in the United States and elsewhere are increasingly inclined to think of regional community in terms of how it can help embed China into a web of rules and interdependence that blunts major power rivalries and turns China into more of a "responsible stakeholder." However, it is natural for Chinese leaders to chafe at US efforts to balance their influence by promoting an American vision of regional community, even while welcoming US cooperation on shared challenges. It is worth recalling that, when the foundations for European community were laid in the aftermath of World War II, the main "target," Germany, was a defeated power that saw community as its path to redemption. China, on the other hand, is a rising power. Although it is clearly in the interest of all parties that China be part and parcel of any meaningful community-building efforts, it is not likely to easily acquiesce to many of the initiatives that an impatient United States may champion in order to make its own investment in regional community building worthwhile.

Conclusion

The United States has managed to paper over these issues, but it can only do this for so long without sacrificing its potential to shape the future of the region. The global economic crisis that originated in the United States has fueled the perception of America's decline among Asian elites and, while talk of the demise of the United States is perhaps exaggerated, its relative power will surely slip over the next several decades as countries such as China continue to grow. For the time being, though, the United States remains the dominant power in Asia and it enjoys the goodwill of most countries in the region. This gives it a window of opportunity in which it can successfully pivot from its current reactive

stance to a more forward-thinking role in shaping the emerging regional community, helping build up the kinds of regional institutions that can complement its efforts at the bilateral, subregional, and global levels.

At the moment, the United States is not prepared to lay out a full-blown vision for a new regional architecture and, regardless, trying to impose something like that from the other side of the Pacific would likely backfire. Prime Minister Kevin Rudd learned this when his 2008 proposal for an Asia-Pacific Community ran into a wall of opposition from around the region. Instead, the United States is likely to be most effective by investing in the development of a network of multiple overlapping institutions that can help further its long-term interests and values.

There are a number of reasons why a network of multiple overlapping institutions is better suited to the region than a single, more coherent body. The complexity and diversity of East Asia means that one size does not fit all, and that no single institution can be a silver bullet for all of the region's ills. Countries that can participate effectively in one regional institution on a given issue may not have the capacity to do so in other areas. In Asia, the tradeoff for having the full participation of all countries in an organization typically means it becomes a consensusbased forum that cannot take quick, concrete action. Therefore, having overlapping institutions—some which involve the full participation of all in the region and others led by subsets of countries with sufficient capacity and will to take concrete action in providing public goods—can allow progress to be made on the key challenges facing the region while keeping countries from being permanently excluded from the broader regional community. The task before the United States, therefore, is to help strengthen and inject substance into the existing institutions that are most useful on key issues while also helping to fill gaps in the region's institutional architecture.

Success at this is likely to require a more nuanced and humble style of leadership, through which the United States works in partnership with like-minded allies in the region. Increasingly, there are influential proponents of regional community building in countries throughout East Asia who are working to promote regional institutions that can help further democratic and responsive governance, promote economic openness, and deliver concrete results on pressing transnational challenges. If the United States can engage them in targeted initiatives to help improve the capacity and effectiveness of key regional institutions,

it is likely to make more progress than by coming up with some bold proposal for a new regional architecture. In some instances, this will require the United States to concentrate on working behind the scenes, encouraging allies to spearhead and take credit for important initiatives. In other instances, it behooves the United States to be confident enough to avoid being threatened by forums that do not include it when they can ultimately serve its purposes, whether directly through their actions or indirectly by buttressing the sense of regional participation. In the end, by playing a less flashy and more substantive role, the United States can provide much-needed leadership for regional community building in a way that does not wrest ownership from Asian countries.

The Obama administration has already taken some initial steps down this road, but it needs to demonstrate a more sustained commitment to regional community building, one that moves beyond just "engaging" with regional institutions—with all the ambiguity the term involves—to projecting greater leadership. This is bound to be an arduous and sometimes frustrating task, but it is possible to envision the components of a more farsighted US approach to regional community building.

Clearly, one key element should be consistent presidential leader-ship. The United States still has a special ability to inspire people in the region, and regular demonstrations of support by the US president for more robust regional institutions can go a long way in strengthening the resolve of leaders throughout the region. Meanwhile, at home, the US president would do well to regularly pressure the US government to place greater priority on thinking comprehensively about the future shape of the region. Only the White House can knit together the diverse efforts that will need to be undertaken by different US government agencies on the key issues facing the emerging web of regional institutions.

A second component of US efforts should be active participation in a high-level regional forum on broad strategic issues. The ARF helps build confidence among senior leaders from Asia and the United States on security issues, but there is considerable utility in a forum where the US president and other heads of state from around the region are able to talk about a broad range of interconnected issues that are particularly relevant for Asia. Now that the United States has decided to join the East Asia Summit, this can probably be achieved by pushing for the summit to evolve into this role.

A third component might be a series of focused initiatives to institutionalize regional cooperation by a broad range of governments—as well

as NGOs, international organizations, and others—in taking concrete action to deal with nontraditional security issues, from disaster relief to environmental cooperation. Some experts have argued that the United States should focus on ad hoc initiatives since these have historically been the most effective in the region. However, the long-term and complex nature of many of the nontraditional security challenges facing the region and the need to build permanent capacity to respond to the crises they can trigger makes it important to also institutionalize regional cooperation.²³ The aim would be to start working from the bottom up to lay the foundations for a regional institution that can serve as a hub for mobilizing and coordinating substantive action on many of the most pressing challenges in the region in a way that existing consensusdriven institutions such as the ARF cannot. One appealing proposal is Hitoshi Tanaka's idea for an action-oriented East Asia Security Forum that would be designed to mobilize different sets of regional actors to deal with different nontraditional security challenges, yet which would involve all of the region's nations in a broader secretariat.24

Finally, domestic politics make any dramatic push on the economic front more difficult, but the United States needs to somehow demonstrate that efforts to incorporate US objectives into the evolving regional trade and financial rules will pay off in the end. The first step is the ratification of KORUS. Without this it will be difficult for the United States to claim any credibility in trade negotiations with other Asian countries. Meanwhile, over the long term American political leaders need to get their domestic house in order by working to rebuild a bipartisan consensus in support of free trade. In addition, the United States needs to work toward a clearer vision of how to reconcile APEC, the TPP, and its bilateral initiatives in the region, although it may be able to move ahead on these in parallel for the time being.

The next decade promises to be a transformative period with lasting implications for the future shape of the region. The United States has a growing interest in encouraging the development of effective regional institutions, many Asians want a stronger US presence in the region, and the reality is that the United States may never have as much influence in the region as it does now. This makes it imperative for the United States to move beyond mere engagement to a more proactive and nuanced leadership. To repeat a common refrain of President Obama, "If not now, when?"

Notes

- In 1890, the United States made its first major foray into regional cooperation by playing a key role in the establishment of the International Union of American Republics, a forerunner the present-day Organization of American States (OAS) that aimed to promote cooperation among Latin American countries and the United States.
- Chicago Council on Global Affairs, Constrained Internationalism: Adapting to New Realities (Chicago: Chicago Council on Global Affairs, 2010). The poll, conducted in June 2010, entailed a random sampling of 2,596 American adults with a sampling error of 1.9–3.3 percent.
- 3. Fifty-five percent of US respondents to the Chicago Council on Global Affairs' 2008 Global Views poll were of the opinion that US membership in NAFTA is bad for the US economy and 64 percent thought it was bad for Americans' job security. See Chicago Council on Global Affairs, Global Views 2008: Anxious Americans Seek a New Direction in United States Foreign Policy (Chicago: Chicago Council on Global Affairs, 2009), 20.
- 4. For example, in May 2008 testimony to the Senate Foreign Relations Committee, Kurt Campbell, who later became assistant secretary of state for East Asian and Pacific affairs, insisted that for the United States, "active participation in the new multilateral structures of Asia is necessary and important for effective management of bilateral ties and impending security challenges in the region." Kurt Campbell, "China's Challenge and Asia's Rise: The Case for US Strategic Reengagement in the Asia-Pacific Region" (testimony before the Senate Foreign Relations Subcommittee on East Asian and Pacific Affairs, May 15, 2008).
- Saadia Pekkanen, "Asianism Rising: Assessing China-Japan-US Dynamics in Regional Trade and Investment Realities," in *Getting the Triangle Straight: Managing China-Japan-US Relations*, ed. Gerald Curtis, Ryosei Kokubun, and Tadashi Yamamoto (Tokyo: JCIE, 2010), 200.
- See, for example, Uri Dadush and Bennet Stancil, World Order in 2050 (Washington DC: Carnegie Endowment for International Peace, 2010); and Dominic Wilson and Roopa Purushothaman, "Dreaming with BRICs: The Path to 2050," Goldman Sachs Global Economics Paper no. 99 (2003).
- 7. For a useful explanation on the way that US officials try to tackle global issues in regional forums, see Scott Snyder, "Domestic Politics and Regionalism: What Are the Domestic Influences That Drive or Inhibit Multilateral Security Cooperation in Northeast Asia" (unpublished draft paper for a Council on Foreign Relations workshop on regional security architecture, 2009).
- 8. For example, the world's five top emitters of carbon dioxide—China, the United States, Russia, Japan, and India—are all located in Asia or on its periphery, and Asia is also home to some of the countries that will suffer most from the impact of climate change. Any meaningful response to climate change will require the active participation of countries in the region, and it is a great advantage in the eyes of US policymakers if regional institutions can contribute by building momentum for global action.
- Testimony of Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell before the Senate Foreign Relations Subcommittee on East Asian and Pacific Affairs, "US Policy Toward Burma: Its Impact and Effectiveness," September 30, 2009.

- 10. Remarks by Secretary of State Hillary Clinton on "Regional Architecture in Asia: Principles and Priorities," January 12, 2010.
- Remarks by President Barack Obama at Suntory Hall, Tokyo, Japan, November 14, 2009.
- 12. Ibid.
- 13. The Obama administration's principles for US engagement in regional multilateralism are that, first, this is intended to build upon bilateral relationships. Second, the United States believes that regional institutions should be working to advance the "shared objectives" of the United States and other countries in the region, meaning peace and stability, economic liberalization and sustainable growth, and the spread of democratic values, at least as seen from a long-term perspective. Third, regional institutions should move from being just "talk shops" to delivering concrete results. Fourth, the United States will strive to be more flexible in its support of multilateral cooperation, signaling that it will remain more focused on results than process and be more accepting of an overlapping, multilayered architecture, including subregional and ad hoc initiatives that can deliver results that regionwide institutions cannot. The fifth principle is that the United States needs to be included in the region's key institutions. Remarks by Secretary of State Clinton on "Regional Architecture in Asia."
- 14. Remarks by President Barack Obama at Suntory Hall.
- 15. US officials argue that a successful TPP can lay the groundwork for an FTAAP by providing a mechanism that can be expanded beyond the small group of initial members to all countries in the region. However, it is difficult to envision how agreements can be reached with many of the countries in the region, and even proponents admit that this is only feasible over the long term.
- 16. US Department of Defense (DOD), Quadrennial Defense Review Report (February 2010), 59.
- 17. Ibid.
- 18. Testimony of Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell before the House Committee on Foreign Affairs Subcommittee on Asia, the Pacific, and the Global Environment, "Regional Overview of East Asia and the Pacific," March 3, 2010. Assistant Secretary Campbell made a similar argument on January 21, 2010, in testimony to the Senate Foreign Relations Subcommittee on East Asian and Pacific Affairs.
- 19. Remarks by Secretary of State Clinton on "Regional Architecture in Asia."
- 20. DOD, Quadrennial Defense Review Report, 66.
- 21. Nonetheless, it is still unclear how much support the Obama administration will throw behind the innovative Asia Pacific Partnership on Climate Change and Clean Development that it inherited from its predecessors.
- 22. Some ASEAN leaders are also liable to see East Asia community-building initiatives as a way to blunt US-China rivalry and keep it from dominating regional affairs.
- 23. Victor Cha presents a particularly thoughtful analysis of the role of ad hoc initiatives in Asia, contrasting them with formal attempts at institutionalization, which he notes have been "spectacularly unsuccessful" in Northeast Asia. Victor Cha, "The New Geometry of Asian Architecture: What Works and What Does Not" (paper prepared for the Center for Strategic and International Studies, Washington DC, January 2010).
- 24. Hitoshi Tanaka, "East Asia Community Building: Toward an East Asia Security Forum," *East Asia Insights* 2, no. 2 (April 2007).