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### **Opening Statement**

Chairman Webb, Members of the Subcommittee, thank you for the opportunity to testify on this important topic.

It is an ongoing challenge of US policy makers to find an appropriate balance in promoting American values abroad on the one hand, while sustaining important security, economic and other interests in relations with Asian governments that do not share our values on the other.

My argument is that the United States is in a strong position to promote its values in Asia and has various ways to do so that will not seriously disrupt other US interests, even with governments that do not share American values. Coercion and pressure may be needed to promote US values in the face of egregious violations of US-supported norms, but the United States seems better advised to use its strong position as the responsible leader in the region to advance the values Americans hold dear in less confrontational ways.

### **US Strengths in Asia**

It often has been fashionable for media commentators, specialists and others to discern evidence of American decline in Asia. Today's projections of US leadership being overshadowed by rising China recall the common view after the fall of Saigon that the Soviet Union was expanding to regional leadership while the US declined; and the common view in the 1980s that Japan's economic "juggernaut" was marginalizing America's leading role. The projections of US decline often have a common pattern: They emphasize the strengths of the rising power and emphasize US weaknesses. They tend to soft-pedal or ignore the weaknesses of the rising power and the strengths of the United States.

More balanced treatment shows the United States in a strong leadership position in Asia based on four sets of factors:

Security. In most of Asia, governments are strong, viable and make the decisions that determine direction in foreign affairs. Popular, elite, media and other opinion may influence government officials in policy toward the United States and other countries, but in the end the officials make decisions on the basis of their own calculus. In general, the officials see their governments' legitimacy and success resting on nation building and economic development, which require a stable and secure international environment. Unfortunately, Asia is not particularly stable and most governments privately are wary of

and tend not to trust each other. As a result, they look to the United States to provide the security they need to pursue goals of development and nation building in an appropriate environment. They recognize that the US security role is very expensive and involves great risk, including large scale casualties if necessary, for the sake of preserving Asian security. They also recognize that neither rising China nor any other Asian power or coalition of powers is able or willing to undertake even a fraction of these risks, costs and responsibilities.

Economic. The nation-building priority of most Asian governments depends importantly on export oriented growth. Chinese officials recognize this, and officials in other Asian countries recognize the rising importance of China in their trade; but they all also recognize that half of China's trade is done by foreign invested enterprises in China, and half of the trade is processing trade—both features that make Chinese and Asian trade heavily dependent on exports to developed countries, notably the United States. In recent years, the United States has run a massive trade deficit with China, and a total trade deficit with Asia valued at over \$350 billion at a time of an overall US trade deficit of over \$700 billion. Asian government officials recognize that China, which runs a large overall trade surplus, and other trading partners of Asia are unwilling and unable to bear even a fraction of the cost of such large trade deficits, that are very important for Asia governments.

Obviously, the 2008-2009 global economic crisis is having an enormous impact of trade and investment. Some Asian officials are talking about relying more on domestic consumption but tangible progress seems slow as they appear to be focusing on an eventual revival of world trade that would restore as much as possible previous levels of export oriented growth involving continued heavy reliance on the US market. How cooperative China actually will be in working with the United States to deal with the various implications of the economic crisis also remains an open question, though the evidence on balance appears to show great care on the part of the Chinese administration to avoid pushing controversial policies that would further undermine international confidence in the existing economic system and thwart meaningful efforts at economic recovery. The Chinese leadership appears to give priority to stability in its continued adherence to international economic patterns that feature the leading role of the US dollar, strong direct and indirect US influence on foreign investors in China, and the United States as a market of top priority for Chinese products.

Government Engagement and Asian Contingency Planning. The Obama administration inherited a US position in Asia buttressed by generally effective Bush administration interaction with Asia's powers. It is very rare for the United States to enjoy good relations with Japan and China at the same time, but the Bush administration carefully managed relations with both powers effectively. It is unprecedented for the United States to be the leading foreign power in South Asia and to sustain good relations with both India and Pakistan, but that has been the case since relatively early in the Bush administration. And it is unprecedented for the United States to have good relations with Beijing and Taipei at the same time, but that situation emerged during the Bush years and strengthened with the election of Taiwan President Ma Ying-jeou in March 2008.

The Obama government has moved to build on these strengths, notably with a series of initiatives designed to remove obstacles to closer US cooperation with ASEAN and Asian regional organizations. Its emphasis on consultation and inclusion of international stakeholders before coming to policy decisions on issues of importance to Asia also has been broadly welcomed and stands in contrast with the previously perceived unilateralism of the US government.

Meanwhile, in recent years, the US Pacific Command and other US military commands and organizations have been at the edge of wide ranging and growing US efforts to build and strengthen webs of military relationships throughout the region. In an overall Asian environment where the United States remains on good terms with major powers and most other governments, building military ties through education programs, on-site training, exercises and other means enhances US influence in generally quiet but effective ways. Part of the reason for the success of these efforts has to do with active contingency planning by many Asian governments. As power relations change in the region, notably on account of China's rise, Asian governments generally seek to work positively and pragmatically with rising China on the one hand; but on the other hand they seek the reassurance of close security, intelligence, and other ties with the United States in case rising China shifts from its current generally benign approach to one of greater assertiveness or dominance.

Non-government Engagement and Immigration. For much of its history, the United States exerted influence in Asia much more through business, religious, educational and other interchange than through channels dependent on government leadership and support. Active American non-government interaction with Asia continues today, putting the United States in a unique position where the American non-government sector has such a strong and usually positive impact on the influence the United States exerts in the region. Meanwhile, over 40 years of generally color-blind US immigration policy since the ending of discriminatory US restrictions on Asian immigration in 1965 has resulted in the influx of millions of Asian migrants who call America home and who interact with their countries of origin in ways that under gird and reflect well on the US position in Asia. No other country, with the exception of Canada, has such an active and powerfully positive channel of influence in Asia.

### **Implications and Policy Options for Promoting American Values**

These four sets of determinants of US strengths show that the United States is deeply integrated in Asia at the government and non-government level. US security commitments and trade practices meet fundamental security and economic needs of Asian government leaders and those leaders know it. The leaders also know that neither rising China nor any other power or coalition of powers is able or willing to meet even a small fraction of those needs. Meanwhile, Asian contingency planning seems to work to the advantage of the United States, while rising China has no easy way to overcome pervasive Asian wariness of Chinese longer term intentions.

Though a lot is written about the so-called Beijing consensus and the attractiveness of the Chinese “model” to Asian and other governments, the fact remains that the Chinese leadership continues to emphasize a narrow scope of national interests and assures that its policies and practices serve those interests. Thus, China tends to avoid the types of risks, costs, and commitments in security and economic areas that undergird the US leadership position in Asia. By and large, Asian government officials understand this reality. China continues to run a substantial trade surplus and to accumulate large foreign exchange reserves supported by currency policies widely seen to disadvantage trading competitors in Asia and elsewhere. Despite its economic progress, China annually receives billions of dollars of foreign assistance loans and lesser grants from international organizations like the World Bank and the Asian Development Bank and from foreign government and non-government donors that presumably would otherwise be available for other deserving clients in Asia and the world. It carefully adheres to UN budget formulas that keep Chinese dues and other payments remarkably low for a country with Chinese international prominence and development. It tends to assure that China’s contributions to the broader good of the international order (e.g. extensive use of Chinese personnel in UN peacekeeping operations) are paid for by others. At bottom, the “win-win” principle that undergirds recent Chinese foreign policy means that Chinese officials make sure that Chinese policies and practices provide a “win” for generally narrowly defined national interests of China. They eschew the kinds of risky and costly commitments for the broader regional and global common good that Asian leaders have come to look to US leadership to provide.

### Policy Options

In sum, the main question for US policy makers is how to use the leverage and influence that comes from US leadership in Asia in order to promote American values without major negative side effects.

At one end of available options is an overly cautious approach by the US government seeking to avoid raising issues of values in a pragmatic effort to build better ties with Asian governments that oppose American values. US policy toward China often has seen US policymakers strongly identified with human rights promotion (e.g. Jimmy Carter, George W. Bush) appear to pull their punches in seeking better relations with Chinese leaders. This policy approach has proven unsustainable over the long term in an American political context, even though it may provide some expedient benefit for the US government in dealing with China over the short term.

At the other end of the spectrum of policy options is an assertive and unilateral US posture on salient issues of human rights questions and other value- laden subjects. As shown above, US values are not among the most salient aspects of US strength among the generally pragmatic decision making of officials in Asia focused on nation building and national legitimacy. American values in support of transparent decision making, open markets and good governance do indirectly or directly reinforce the salient US strengths. However, the strong US insistence on its values in this policy option would probably result in serious and disruptive changes in the prevailing Asian order; Asian governments

challenged by the US insistence on its values, even Asian states that relied on the security and economic support provided by the United States, would feel compelled to seek their interests in a more uncertain environment of less reliance on and more distance from or even opposition to the United States.

Between these extremes, there is much the United States can do to promote American values in Asia. US care and attentiveness in dealing with security and economic responsibilities in the region highlight the positive example of the United States for Asian elites and popular opinion. Good American stewardship protecting the common goods important to all redounds to the benefit of US officials pursuing policies promoting American values; it also benefits the wide array of non-government American organizations and entities that interact with counterparts throughout the region, frequently explicitly and more often implicitly, promoting American values. As Asian officials, elites and public opinion see their success in nation building tied to the effective and responsible policies and practices of the United States, they likely will be inclined to emulate American policies and practices at the root of US leadership and strength. These include those values supported by the United States.

Improving on US stewardship in Asia, the Obama government has adjusted US policy in order to build on the strengths inherited from the Bush administration while correcting some weaknesses. The new US government stresses consultative engagement and greater attention to the interests and concerns of Asian leaders. US leaders should continue to use US power and leadership in close consultations with Asian governments in order to establish behaviors and institutions in line with longstanding US interests and values. Listening to and accommodating whenever possible the concerns of Asian governments helps to insure that decisions reached have ample support in the region. The Obama government has gone far to change the US image in Asia from a self absorbed unilateralist to a thoughtful consensus builder.

How the United States should seek to promote American values like human rights while dealing in a consultative way with Asian government leaders seemed on display when President Obama spoke to the annual Sino-American leadership dialogue meeting in Washington in July 2009. He advised his Chinese colleagues that the American government did not seek to force China to conform to its view of human rights but it would nonetheless continue to press China and others to conform to the values of human rights that are so important to the United States. He said:

“Support for human rights and human dignity is ingrained in America. Our nation is made up of immigrants from every part of the world. We have protected our unity and struggled to perfect our union by extending basic rights to all our people. And those rights include the freedom to speak your mind, to worship your God, and to choose your leaders. They are not things that we seek to impose—this is who we are. It guides our openness to one another and the world.”

Remembering and being “who we are” as American officials and non-government US representatives supporting human rights and other American values in interactions with

Chinese or other Asian government officials opposed to or challenged by those values should continue strongly in my judgment. By and large, these governments want to improve relations with the United States, the Asian regional leader on whom they depend. They know who we are and obviously should not and do not expect us to change in order to favor their political interests. In general, I believe they will live with and hopefully gradually adjust to a regional and world order heavily influenced by the United States through example, responsible stewardship of common goods, and persistent but respectful advocacy.