President Trump’s Asia Inbox

Analysis and Recommendations from Stanford SAPARC
Shorenstein Asia-Pacific Research Center
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Cover image of the White House at night courtesy MANDEL NGAN/AFP/Getty Images.
The Asia-Pacific region is of paramount strategic importance to the United States. As the past fifty years have shown, the region’s growing prosperity and interdependence has led to deeper interaction with America. How its people engage—from civil society to the highest levels of government—undeniably matter. The region and its policy challenges are bound to be a focus of U.S. foreign policy for years to come.

The advent of any new administration provides an opportunity to reassess policy approaches. The U.S. administration led by Donald J. Trump is such an occasion, and made even more salient paired with the shift in political party and majorities held in both houses of Congress. A new mandate exists and it is our hope that that mandate will be used wisely by the new administration.

The 2016 presidential campaign was incredibly divisive. President Trump was elected riding on a tide of anti-globalist, anti-immigrant and protectionist rhetoric. During the campaign, Trump rebuked China’s currency policies, pledged an increase of burden sharing by allies, and demanded the renegotiation of trade agreements. All of these signals have induced uncertainty and anxiety for Asian nations. Some have begun to question U.S. commitment to security and defense in the region.

Now in office, President Trump has triggered grave concern with an executive order that bans travel into the United States for citizens from seven countries for ninety days. His withdrawal of the United States from the Trans-Pacific Partnership (TPP) may leave a leadership vacuum in Asia. If further steps are taken to violate shared values and seemingly degrade American staying power, the Trump administration will sow contention both at home and abroad.

As the director of the Shorenstein Asia-Pacific Research Center (APARC), I am pleased to present this collection of contributions entitled “President Trump’s Asia Inbox.” Our center houses scholars who are considered some of the foremost experts in their fields of study, and this collaborative publication is one effort among many to promote constructive interaction to influence U.S. policy toward the Asia-Pacific region.

In the so-called “post-truth” era, this publication is intended to provide non-partisan, objective views informed by scholarly work and experience. Our aim is to have it reach the “inboxes” of the president and his advisors across agencies working to craft and implement policy, as well as colleagues in Asia in that arena. Although the authors do not agree on everything discussed herein, this publication proffers fresh insights about key issues of U.S.-Asia relations, including how to address a rising China, alliance management, the South China Sea, and North Korea’s nuclear ambitions, to name a few areas of interest.

This publication would not have been possible without each author and the editorial oversight of George Krompacky, publication manager at Shorenstein APARC. It is through their collaboration that this publication came into fruition.

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East Asia will surely be a strategic focus for the Trump administration, and a source of major policy challenges. It remains the world’s most dynamic growth area; geopolitical competition is heating up; and elites in the region worry about America’s intentions, resolve, and ability to pursue its interests without endangering their own. Their uncertainty and concern about what Washington will do are magnified by developments closer to home.

China’s “rise” has become increasingly assertive as Beijing responds to slower economic growth by relying more heavily on nationalism as a source of political legitimacy. Its assertion of sovereignty claims in the East and South China Seas have become increasingly muscular and implicitly coercive, and its attempts to use economic leverage to achieve political objectives are gaining traction. Beijing’s soft power is limited but it is utilizing its economic clout to create new regional institutions and “yuan diplomacy” to strengthen ties with countries on its periphery. Lacking allies of its own and preferring to deal with other countries on a bilateral basis, China seeks to weaken U.S. alliances to increase its own leverage in economic and security disputes. Hopes that growing prosperity and economic interdependence would impel China to liberalize its politics and become a “responsible stakeholder” in the liberal order from which it benefits have been dashed by the growing centralization of political authority in the hands of Xi Jinping and Beijing’s blatant disregard of international law and treaty commitments.

North Korea has accelerated its testing of nuclear devices and long-range ballistic missiles despite the imposition of heavy economic and financial sanctions. America’s central objective in North Korea—denuclearization—now appears a forlorn hope. As Pyongyang’s nuclear arsenal increases and the DPRK acquires the capacity to deliver nuclear weapons over inter-continental distances, our allies worry more about the reliability of U.S. extended deterrence commitments and the danger of war on the peninsula. The situation and the region demand new U.S. policy initiatives but options ranging from diplomatic engagement to preemptive military strikes are fraught with problems.

America’s Asian alliances confront other uncertainties. The president of the Philippines, Rodrigo Duterte, is actively distancing his country from the United States, while cultivating closer ties with Beijing and Moscow. We retain a nominal alliance with Thailand, whose military regime is also gravitating toward tighter links with Beijing. A quarter century into the post-Cold War era, it is perhaps time to reassess the purpose and value of the alliances with Thailand and the Philippines.

Our defense cooperation arrangements in Northeast Asia appear solid. But the political authority of the Republic of Korea (ROK) is now under challenge, and North Korea’s expanding nuclear program is prompting questions among some Japanese and South Koreans about the future reliability of U.S. security commitments. Meanwhile, the return of the Democratic Progressive Party to power in Taiwan has renewed questions about the tranquility of cross-Strait relations, and the continuity of U.S. policy toward Beijing and Taipei.

Slower growth is imposing its own pressures on East Asian governments, and these are compounded by uncertainties about the future of trade with the United States. Intra-regional trade and investment flows continue to outpace trans-Pacific commerce. In this context, and in the wake of the 2016 presidential election and President Trump’s withdrawal from the TPP, East Asians wonder whether the United States is willing and able to...
sustain its long established role as the vigilant custodian of a rules-based order in the region.

There is also, of course, good news. Prime Minister Abe’s Japan has pursued a more proactive diplomacy and adopted a more ambitious security policy in the region, as have India and Australia. Most of China’s neighbors are actively encouraging the United States to deepen its engagement in the region.

Contrary to the views of some Asians, America is not “in decline.” But our relative power in the region has diminished. The 2008–09 financial crisis, a decade of sub-par economic growth, the rapid accumulation of external debt, and protracted political dysfunction in Washington have reduced the luster of America’s example. The Obama administration’s “pivot back to East Asia” seems to have run out of steam and President Trump’s early foreign policy initiatives cause many Asians to wonder whether determination to put “America First” means that Washington intends to take the United States “out of the world order business”—at least for now.

For these and other reasons, East Asia is destined to be a central focus of American foreign policy in the years immediately ahead. It is not on the threshold of crisis, but the situation is dangerous and demands America’s close attention and more thoughtful policy efforts by the new administration.
Overview:
Approach and Key Recommendations

Scholars at the Shorenstein Asia-Pacific Research Center assess the strategic situation in East Asia to be unsettled, unstable, and drifting in ways unfavorable for American interests. These developments are worrisome to countries in the region, most of which want the United States to reduce uncertainty about American intentions by taking early and effective steps to clarify and solidify U.S. engagement. In the absence of such steps, they will seek to reduce uncertainty and protect their own interests in ways that reduce U.S. influence and ability to shape regional institutions. The recommendations summarized below, and elaborated in the following sections, suggest specific steps to achieve American economic and security interests.

Trade and Economic Relations

The dynamic economies of East Asian countries are increasingly integrated and interdependent. The United States is an important market and source of investment and technology, but this is no longer sufficient to ensure that future arrangements and rules will protect American interests. The region is moving toward more formal, rule-based arrangements and the United States must be an active shaper of those institutions.

Most in the region want the United States to play a leading role in the establishment and enforcement of free and fair international economic transactions, and want the rules and mechanisms governing trade to be multilateral ones. If we do not play such a role, China, and possibly others, will seek arrangements that disadvantage American firms.

▪ The replacement for the Trans-Pacific Partnership (TPP) should build on what was achieved in those negotiations, especially those that would assure market access for U.S. firms and protect intellectual property rights, enforce labor standards, and ensure environmental protection. A single multilateral agreement would be best, but much could be achieved through interlocking and consistent bilateral agreements.

▪ The administration should adopt policy measures to increase employability and create jobs for the Americans who have been disadvantaged by globalization.

Defense and Security

China’s military buildup and North Korea’s growing arsenal of missiles and nuclear weapons have fueled concerns about U.S. will and ability to honor its security commitments in the region. No one wants a regional arms race or tit-for-tat moves that increase the danger of accidental conflict or escalation, but many believe concrete steps are needed to check perceptions that the United States is becoming less willing to maintain the peace and stability that undergirds regional prosperity.

▪ While reaffirming the need for a forward presence in the region, reconfigure it along the lines of an “active denial” strategy. “Active denial” means maintaining a forward presence in East Asia that is designed to deny an opponent the benefits of military aggression, especially the prospect of a quick victory. The first component of such a strategy is a resilient force posture, which can be achieved by exploiting the size and depth of the region to distribute units in more locations. The second component is an emphasis on planning to conduct military operations against an adversary’s offensive strike or maneuver forces, not targets deep in-
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side an adversary’s homeland territory and not by carrying out preemptive strikes.

- Strengthen U.S. military capabilities by developing and fielding stealthier air and maritime platforms, increase submarine and anti-submarine assets, and provide forward deployed forces with better active defenses, such as rail guns and lasers. At the same time, the United States should assist those neighbors of the PRC who feel threatened by Chinese assertiveness to develop asymmetric coercive capabilities that can put at risk forward-deployed PLA forces. The United States can use elements of such assistance programs as points of negotiating leverage in our attempts to limit militarization on both sides.

- Continue to promote U.S.-China military relations, emphasizing accident avoidance and crisis management, sustained dialogues on national strategies and doctrines, and cooperative endeavors, such as training exercises and combined operations, where and when feasible and mutually beneficial.

China

People in the region worry about China’s actions and intentions but they worry more about the prospect of confrontation and conflict between the United States and the People’s Republic. They look to the United States as a counterbalance to China but fear that Washington will overreact or underreact to actions by Beijing, or take provocative actions that jeopardize their own interests. The U.S. should:

- Respond to Chinese actions inimical to American interests in ways that protect our interests, achieve U.S. goals shared by others in the region, and avoid both the reality and the appearance of being “anti-China.”

- Reaffirm American commitments to allies and partners including China and Taiwan.

- Tighten enforcement of import restrictions on products produced by firms that have stolen intellectual property from U.S. companies.

Korean Peninsula

North Korea is threatening an ICBM test in 2017, possibly in the next few weeks or months. There is a political vacuum in South Korea, and Seoul is being pressured and punished by Beijing to reverse its decision to accept the deployment of a U.S. THAAD missile defense in South Korea. Under these circumstances, these are our priority recommendations for the administration:

- It should work to dissuade North Korea from an ICBM test. Publicly, the new administration should reaffirm that the U.S. would use military means against an ICBM that appeared to threaten the U.S. or one of our allies. Regular spring ROK-U.S. joint military exercises should be held, but calibrated and conducted to avoid giving Pyongyang extra pretext for a test. The Trump administration should appoint a senior envoy empowered to go to Pyongyang to convey openness to renewed diplomacy, while at the same time being clear about the consequences of an ICBM test. China will share this goal, and the new Trump administration should establish a dialogue with China on North Korea based on this shared interest rather than linked to other issues in the U.S.-China relationship, such as bilateral trade. The Trump administration should not negotiate the THAAD issue with Beijing but rather stick to the principle that this is a Seoul-Washington issue.

- The U.S.-ROK relationship will need early and special attention in 2017. Secretary of Defense Mattis’ early visit to the ROK was a wise move. With names already announced for Beijing and Tokyo, a new American ambassador for Seoul should be nominated soon. Despite the political leadership vacuum in Seoul, the Trump administration should strive for the closest possible diplomatic, political, and military coordination on North Korea with our South Korean allies. Trade and burden-sharing issues should not be front-burner issues during South Korea’s political transition. U.S. neutrality in the South Korean election, along with demonstrated respect for South Korea’s democracy, will be carefully monitored, and is essential, as is strengthening U.S. contacts and outreach across the political spectrum in South Korea.
Japan

The Abe administration is the most stable government Japan has had for many years. The prime minister wants to work with Washington, is prepared to deepen defense cooperation with the United States and others in the region, and is eager to lock in the commitments and arrangements negotiated in the TPP. There is a real opportunity to secure access for U.S. firms greater than achieved by any previous administration.

- Build upon arrangements negotiated in TPP to secure a U.S.-Japan free-trade agreement (FTA) that increases access for U.S. firms and locks in economic reforms initiated by the Abe government.
- Propose annual head of state level trilateral cooperation summits with Japan and South Korea and seek greater trilateral cooperation, particularly in the area of security cooperation. Caution Tokyo against steps backward on historical reconciliation.

Southeast Asia and the South China Sea

Southeast Asia is most vulnerable to and concerned about China’s actions and intentions. Countries in the region want the United States to counterbalance and constrain China but worry equally that the United States is unreliable and unequal to the challenge of protecting their interests while preserving American interests vis-à-vis China. Unless given a better option, they will lean toward China for economic and security reasons.

- The United States should anchor U.S. policy on the South China Sea (SCS) to an explicit commitment that no single country—not the US, not China, nor anyone else—should seek or enjoy a monopoly of ownership and control over that body of water. To underscore that commitment, the United States should execute freedom of navigation operations (FONOPs) in waters between and around the Spratly islands. These and other operations in the SCS should be conducted in conformity with the authoritative ruling on the status of its waters and land features issued in 2016 by the arbitral court convened for that purpose under the UN Convention on the Law of the Sea.
- The United States should also try, in concert with its allies and partners, to bring the SCS under international protection and management by a combination of claimant and user states, including the United States and China, based on international law. The Southeast Asia Maritime Security Initiative should be enlarged and upgraded to serve this purpose. If China declines to join, a chair at the table should remain empty should Beijing change its mind.
- The United States should remain engaged with the process of regional and trans-Pacific institution building, including but not limited to the Association of Southeast Asian Nations (ASEAN) annual meetings, the East Asian Summit, and the Asia Pacific Economic Cooperation (APEC) forum, which will be hosted by Vietnam in 2017.
The decision to withdraw from the Trans-Pacific Partnership (TPP) is a reaction to the pervasive view among American voters that globalization is responsible for job losses by middle class Americans, but abandoning the efforts to establish fair rules for international economic transactions in the Asia-Pacific region will be remembered as a serious mistake. Dumping TPP will not restore American jobs. Worse, by walking away from the trade and investment framework that was touted as a model for the twenty-first century, the United States has lost credibility as the leader of efforts to advance fair trade, democracy, and peace in the Asia-Pacific. President Trump has announced that the United States will negotiate bilateral trade agreements with trading partners, but many in Asia view this as an U.S. attempt to force upon them trade deals that disproportionately benefit the United States.

Globalization is only partially responsible for the losses of low-skill jobs. Labor-saving technological progress has been at least equally responsible for the job losses. Thus, even if it were feasible to stop globalization completely, the lost jobs would not come back. Technology will continue to advance and old manufacturing jobs will continue to disappear even if the United States ended all imports from China and other Asian countries and prohibited U.S. companies from shifting operations abroad.

A better approach is for the government to help directly those who lose jobs in the process of technological progress and globalization through training programs and public employment services. U.S. government expenditures on such active labor market policies are ranked twenty-ninth out of thirty-one OECD countries, so there is clearly room for improvement. Public investment in infrastructure, which President Trump plans, may also be useful for creating jobs if there are many “shovel-ready” projects.

The benefits of trade liberalization to consumers are greatest for middle- and low-income households, which spend relatively more on inexpensive manufactured goods imported from Asia and the rest of the world. The rich, who spend more on luxury goods and services, benefit less from trade liberalization. This means that rolling back trade liberalization will disproportionately hurt middle- and low-income people.

Efforts to establish multilateral agreements on international economic transactions are best considered to be attempts to correct problems in the status quo. The TPP was an attempt to devise fair rules for international trade and investment among member countries that enable every member country to obtain fair gains from freer international economic transactions.

The TPP was not perfect and many problems remain, but they are not removed by abandoning the TPP. The TPP did not introduce new problems in the globalizing world. The problem was that the TPP did not go far enough to address the currently existing problems.

For example, critics of the TPP argue that the rules of origin were weak and allowed goods that were substantially produced in countries outside the TPP to receive benefits. If that is the case, the solution is to strengthen the rules of origin. Simply abandoning the TPP would retain the status quo in which goods produced outside the TPP are treated the same as goods produced by countries that do not currently have free trade agreements with the United States.

If the TPP becomes effective without U.S. participation, the situation will be worse. Such a sce-
nario was considered impossible because the TPP agreement must be ratified by at least six parties that collectively account for more than 85 percent of the total GDP of the original signatories. With the United States withdrawn and no longer an original signatory to the agreement, the TPP may move forward without the United States if the remaining countries ratify it. If ratified, the United States will be hurt by the classical trade diversion mechanism of preferential trade areas, similar to what would have happened to China if the original TPP had become effective.

Some criticize the TPP for not requiring full compliance with international labor standards for all the participant countries. The problem again is that the TPP does not go far enough.

Another area of the TPP that has attracted criticism is Investor-State Dispute Settlement (ISDS). Some critics erroneously argued that ISDS would allow foreign corporations to bypass U.S. laws. ISDS is an arbitration mechanism for corporations that receive unfair treatment by a foreign country that violates the TPP agreement. Many would agree such protection for (U.S.) corporations is necessary. Again, the TPP did not go far enough because it contained exceptions that would have allowed some countries to avoid ISDS. Again, the solution would not be to drop ISDS or TPP altogether, but to improve the rules.

Having withdrawn from the TPP, there is still something that Trump administration can do to reduce the damage—the United States should use bilateral negotiations to reach free trade agreements (FTAs) with many Asian trading partners. It would not be wise to or necessary to start negotiations with TPP member countries from scratch. The starting point should be those aspects of the TPP agreement that are consistent with the new administration’s trade policy.

The United States already has bilateral trade agreements with Australia, Korea, and Singapore. The new administration should refrain from rolling back these agreements and work to not only keep but also improve these trade agreements.

Completely abandoning the TPP could hurt not only the U.S. economy but also erode U.S. leadership in Asia. The United States has lost its credibility as the leader of advancing fair trade, democracy, and peace in the Asia-Pacific. Many in Asia view President Trump’s attempt to negotiate bilateral trade agreements as a selfish bid to take advantage of smaller trading partners in Asia. The decline of U.S. leadership would not be such an issue if allies such as Japan and Korea, who share these values, were to become dominant leaders in the region, but there is no guarantee that this will happen.

The discussion above leads us to the following policies that should be pursued to mitigate the damaging consequences of abandoning the TPP:

- Base bilateral negotiations with Asian trading partners on the aspects of the TPP agreement that are consistent with the current U.S. trade policy.
- Keep and improve the existing FTAs with Asian trading partners.
- Adopt policy measures to increase employability and create jobs for the Americans who have lost jobs in the process of globalization.
U.S. Military Strategy in the Indo-Asia-Pacific Region

Karl Eikenberry

The economic growth trajectories of countries and distribution of global power are difficult to predict, but the trend lines seem clear. If China’s national power continues to increase relative to that of the United States then maintaining stability in East Asia will become increasingly challenging for the United States, its allies, and its security partners. It is already difficult to mix credible threats of intervention against Chinese aggressive unilateral actions with credible reassurances to Beijing that the purpose of U.S. policy in Asia is not the containment of China or interference in its sovereign affairs.

As U.S.-China competition intensifies on the security front, finding the right mix will become ever more difficult. If China’s economic growth falters greatly then the challenges will be somewhat diminished, but the PRC has long been powerful enough to challenge U.S. security interests in Asia even when it continues to fall far short of being a peer competitor. Regardless of how China grows and evolves over the next several years, Beijing will likely be increasingly dissatisfied with the U.S. alliance structure and forward military presence in the Asia-Pacific region because it perceives it as “ring fencing” China on its maritime frontier.

Crisis scenarios that involve clashing U.S. and Chinese military forces (excluding the Korean Peninsula) lie primarily in East China Sea, South China Sea, Taiwan Strait, and the Western Pacific Ocean. As Chinese force modernization proceeds apace, the tyranny of distance will continue to complicate U.S. military efforts to credibly and effectively respond, and to reassure allies that the United States can operate at acceptable costs in the region.

China’s rise as a military power, if it continues on its present trajectory, poses the following potential mid-and long-term peacetime threats to U.S. security interests in the Asia-Pacific region and ultimately beyond:

- Denial of freedom of navigation to U.S. military forces in the South China Sea
- A weakening web of U.S. Asia-Pacific security alliances and partnerships, leading to the replacement of an U.S.-led security system with Chinese-led order that is less stable and conducive to U.S. interests.
- A possibly unified Korea pressured to lean toward China rather than the United States and its democratic allies.
- The creation of more client states dependent on Chinese military hardware in the region.
- The development over time of Chinese capabilities in the domains of space, cyber, and/or nuclear weapons that threaten U.S. military superiority both regionally and globally.
- Quantitative and qualitative improvements in China’s nuclear arsenal, contributing to competitive nuclear weapons build-ups by already nuclear-armed India and Pakistan and currently non-nuclear-armed Japan and perhaps other Asian countries.

More immediate concerns for the incoming Trump administration include:

- Crisis escalation following accidents or tactical encounters between Chinese and U.S. and/or allied military forces, especially those operating in or near areas over which China now claims exclusive sovereign rights or legal authority.
- Establishment by China of newly declared exclusion and restricted zones in areas regarded by the United States as international commons through such provocative measures as continued island building in the South China Sea, the

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militarization of these island features, or the establishment of new Air Defense Identification Zones

- Ongoing coercive acts by China against Japan to advance its claims to the Senkakus/Diaoyu islands.

- New Chinese threats or actual use of force against Taiwan to advance its sovereignty claim to that island after the recent Taiwan presidential election.

- Failure of the United States, South Korea, and China to align responses to a severe crisis on the Korean Peninsula crisis, such as another major provocation by North Korea against South Korea, the unambiguous demonstration of North Korea’s capability to conduct a nuclear strike against the United States, or regime instability within North Korea.

- Continuing cyber theft of commercial or military data with national security implications.

Policy recommendations

The Trump administration should immediately conduct a comprehensive U.S. Asia-Pacific security review. This review should ensure that military plans to protect vital U.S. regional interests—especially with respect to military maritime access in the South China Sea and East China Sea, the peaceful resolution of China-Taiwan differences, and the management of a possible collapse of North Korea or sudden military strike by the Kim regime—are both feasible and achievable.

The review should also examine how to assure the military and economic sustainability of U.S. strategy in the face of future Chinese capabilities and the changing political dynamic among East Asian friends and partners. Recent developments in the Philippines indicate an urgent need to do so.

When formulating U.S. military strategy in the Asia-Pacific region, China should be considered in the larger context of its evolving relations with Russia, Europe, Iran, sub-Saharan Africa, and Latin America. The United States also should engage in a more long-range, exploratory strategic dialogue, first with allies and partners, and then with Beijing, to identify potential areas of mutual interest that can help prevent the unintended escalation of conflicts and reduce already dangerous levels of misperception and mistrust on both sides.

The Trump administration should take into account the PRC’s expanding regional maritime interests and its ambitious Central-South Asia economic policies, which are manifested in its One-Belt/One-Road program connecting western China with Central Asia and eventually Europe. The new administration should enlarge the framework for U.S. security planning from the Asia-Pacific region to the Indo-Pacific region, which also includes the Indian Ocean and neighboring nations. Specifically, the United States should continue ongoing efforts to develop denser multilateral networks of security partners in this greater region that emphasize military interoperability and mutually reinforcing capabilities.

While reaffirming the need for a forward presence in the region, the Trump administration should consider reconfiguring it along the lines of an “active denial” strategy. “Active denial” means maintaining a forward presence in East Asia that is designed to deny an opponent the benefits of military aggression, especially the prospect of a quick victory. The first component of such a strategy is a resilient force posture, which can be achieved by exploiting the size and depth of the region to distribute units in more locations, thereby increasing the number of targets an adversary would need to attack to achieve victory. In allied countries such as Japan, for example, this would mean dispersing air units to more locations within the country rather than concentrating them in a few large but vulnerable bases. Such resiliency will enable U.S. forces to absorb an initial attack while maintaining the ability to counterattack.

The second component of an active-denial strategy is an emphasis on planning to conduct defensive operations against an adversary’s offensive strike or maneuver forces, not targets deep inside an adversary’s homeland territory and not by carrying out preemptive strikes. Taken together, such a strategy can enhance deterrence while also strengthening relations with key allies and partners. It would also be more economically and diplomatically sustainable, less escalatory, and consistent with overall U.S. military efforts to increase the resilience of its forces globally.
Furthermore, the Trump administration should enhance this strategy by strengthening U.S. military capabilities. The United States should develop and field stealthier air and maritime platforms, increase submarine and anti-submarine assets, and provide forward deployed forces with better active defenses, such as rail guns and lasers. At the same time, the United States should assist those neighbors of the PRC who feel threatened by Chinese assertiveness to develop asymmetric coercive capabilities that can put at risk forward-deployed PLA forces. The United States can use elements of such assistance programs as points of negotiating leverage in our attempts to limit militarization on both sides.

In tandem, the U.S. regional force posture should be reassessed in light of the most likely and dangerous contingencies, global requirements, defense budget constraints, and anticipated support from host nations. Combat scenarios on the Korean Peninsula require a significant ground force capability, but this is not true of other military contingencies in the Asia-Pacific or Indo-Pacific regions. The United States needs to make the necessary investments to prevail in the most likely and dangerous conflicts, which are primarily in the maritime, air, space, and cyber domains.

An over-emphasis on the percentage of specific U.S. military assets deployed in the Asia Pacific region shifts debates away from more critical issues such as the correlation of forces, competitive doctrines, and the survivability and sustainability of U.S. and allied military power. Increases in total U.S. defense spending may be required to offset the steady rise in Chinese military expenditures, especially if the growing costs of active and retired personnel in the U.S. armed forces continue to limit funds allocated to research and development, equipment, and training.

As a guiding principle, the United States should be prepared to increase security partnerships whenever PRC assertiveness provides the rationale to do so, but should avoid getting directly involved in sovereignty disputes toward which the United States has long taken no position. When disputes do arise, the United States must insist that they are settled peacefully and that all claims are made in ways that are consistent with international law—applying these principles to all actors, not just China—thereby discouraging allies and security partners from adopting provocative policies of their own. Such an approach balances the need for diversified base access for deterrence with the need to reassure China that the purpose of U.S. policy is not to interfere directly in its sovereignty. This approach has the added benefit of reminding China of the long-term costs of overly aggressive behavior, which could encourage moderation over time. At the same time, in an effort to create a more inclusive and less bipolar regional security architecture, the Trump administration should consider further developing and institutionalizing Asia security concepts such as the ASEAN Defense Ministers Plus Forum.

Additionally, given the increasing capabilities of China’s nuclear arms arsenal, the Trump administration should press Beijing to begin serious civilian-led nuclear arms dialogues with the United States.

All of these defense preparations by the Trump administration should be accompanied by promoting robust U.S.-China military relations, placing emphasis on accident avoidance and crisis management, sustained dialogues on national strategies and doctrines, and cooperative endeavors such as training exercises and combined operations where and when feasible and mutually beneficial. Efforts by senior U.S. military leaders to establish “trust-based” relationships with their Chinese counterparts should continue, though realistic expectations are in order. The Chinese military command is more collective than personal, and the organizational structures of the U.S. and Chinese armed forces are dissimilar.

And last, the Trump administration—and all Americans—should bear in mind that over the long-term, U.S. military power is dependent upon the vibrancy of the nation’s economy, the effectiveness of its system of democratic governance, the caliber of its human capital, and the scope of its research and development and technological innovation. The global apportionment of U.S. military forces matters in the short-term; decisive over the long-term is the strength of America’s political and economic foundation.
Asians who questioned the efficacy of Obama’s “Rebalance” to Asia now worry that the Trump administration will be less attentive to their interests, more hostile toward China, and less adept at maintaining peace and prosperity in the regions. They eagerly await indications of whether and how U.S. policy will change and are already preparing for worst-case possibilities because they have fixated on narrow slices of campaign rhetoric to the exclusion of possibilities implicit in what I understand to be the new president’s approach. The analysis and recommendations below attempt to build on my understanding of what the region seeks and what Mr. Trump might be prepared to do. Key recommendations are:

▪ Seek membership in the Asian Infrastructure Bank
▪ Seek early conclusion of the Bilateral Investment Treaty with China
▪ Seek immediate ratification of the Law of the Sea Treaty
▪ Offer China the same terms of trade as offered to other nations, provided that China meets the same requirements
▪ Seek enhanced restrictions on imports of goods from firms that have violated intellectual property rights or engaged in cyber-theft of proprietary data.
▪ Seek legislation that would empower American firms to better protect themselves from cyber-theft.

Managing America’s multifaceted relationship with China is arguably the most consequential foreign policy challenge facing the new administration. The stakes include stability and security in the Asia-Pacific region, more than $500 billion in bilateral trade, constraining nuclear weapons in North Korea, and the ability of the United States to work transnational issues in/through the United Nations. Campaign rhetoric complicates matters by raising fears and expectations at home and abroad.

Developments after the previous ten presidential elections followed a now-familiar scenario in which harsh campaign rhetoric was replaced by pragmatic assessment of U.S. interests and re-adoption of the hedged engagement policies pursued by every president since Richard Nixon. This time will be and should be different.

Key Differences

Previous incoming administrations have faced a confident, cautious, and predictable China, but slowing economic growth, growing public dissatisfaction with the downsides of China’s “growth at any cost” model of development, and greater reliance on social control and nationalism to buttress regime legitimacy have made China less confident and predictable. Rising China is beginning to stumble.

A second difference involves the role of the U.S. business community. After previous elections, business leaders were quick to remind incoming officials that worsening relations with China would not be good for business or U.S. consumers. They had been the most effective champion of basic continuity in U.S. policy toward China, but...
China’s actions over the past few years (theft of intellectual property, reneging on commitments, excluding foreign firms from emerging business opportunities, etc.) have alienated this key constituency. Instead of pressing for policy continuity, business wants Washington to put greater pressure on China.

A third important difference is that more people in Asia and the United States now view the relationship as an unavoidable contest for supremacy between a rising China and a declining United States. People in Asia both desire and fear this rivalry. They want it because it offers the best chance to pursue their own security and economic interests by using balance of power techniques. They fear it because of perceived danger of becoming caught in the middle of a clash between titans. Most see China as posing the greatest threat to the status quo that has brought peace and prosperity to the region but expect Washington to prevent events from evolving in ways detrimental to their own interests. However, they also evince growing doubt that Washington can meet this imputed responsibility. Commentators in Asia and the United States argue that the United States must respond immediately to any and every Chinese “move” if it is to maintain the confidence of allies and partners in the region.

Key Challenges

The way in which the United States is perceived by others in the region to be managing its relationship with China might be as important as the content and success of U.S. actions. Demonstrating prudence is more important to our image and influence in the region than is demonstrating resolve by taking actions that can be construed as jeopardizing the interests of those who live in the region. We are deeply engaged in the region because we cannot afford not to be engaged in the most dynamic, least institutionalized, most highly militarized, and fastest growing region of the world.

A second set of challenges centers on the legitimate concerns of the U.S. business community. China has behaved outrageously with respect to the theft of intellectual property, cyber theft, and demands for transfers of technology and localized production as preconditions for market access, and must be held accountable. This must be done with finesse because many American firms will freeze or reduce their exposure in China for business reasons, but Beijing will depict their actions as a response to U.S. policy rather than as a response to Chinese actions.

A number of critical transnational issues cannot be solved by the United States alone and/or cannot be solved at all without cooperation between the United States and China. The list includes nuclear proliferation, especially North Korea’s acquisition of nuclear weapons and missile systems to deliver them; terrorism and the threats posed by extremist groups in the Middle East and South Asia; and establishment of new institutions and control regimes to supplement or replace those put in place after World War II.

Key Suggestions

The Obama administration made a big mistake in the way it responded to China’s establishment of the Asian Infrastructure Investment Bank. Declaring U.S. willingness to join would demonstrate willingness to correct this Obama mistake, signal desire to cooperate with China when it is in U.S. interest to do so, and help restore regional confidence in Washington’s ability to manage relations with China in a way that helps states in the region to counterbalance Chinese influence while taking advantage of Beijing’s willingness to invest in infrastructure. Such an initiative offers an “any outcome we win” opportunity. If China agrees to U.S. membership (highly likely), we gain insight into and a voice in the bank’s operations and score points with others in the region. If China demurs, it will be pressed by other members (including our allies in Europe) to accept the United States. With all countries, the new administration wins credit for trying.

Another opportunity for a quick win is to push for early completion of a Bilateral Investment Treaty with China, something the Bush and Obama administrations were unable to do. Closing the deal affords an opportunity to push for things important to the U.S. business community (such as an authoritative “negative list” of areas closed to foreign investment and clear statement that any
areas not on that list are open), and protection against “moving the goalposts” demands from national or local Chinese officials. Concluding the agreement would help U.S. businesses, reassure the region of U.S. willingness to deepen the relationship with China, and nudge China further down the road of structural and legal reform.

China’s military buildup, more assertive behavior in the East and South China Seas, and deliberately ambiguous position on exactly what it claims in the maritime domain have sparked concern throughout the region, fostered a dynamic that prods the United States to respond immediately to anything China does and interprets anything less than a forceful response as evidence that the United States is conceding the region to China and is no longer a reliable partner. We can and should break out of this “damned if we do and damned if we don’t” dilemma that conflates real American interests in freedom of navigation and peaceful resolution of disputes with expectations of tit-for-tat responses to actions that matter more to others than to the United States. Steps that would help to reframe the issues and demonstrate American leadership include securing ratification of the UN Convention on the Law of the Sea to strengthen U.S. arguments for compliance with international law and the Permanent Court of Arbitration (PCA) ruling on maritime claims allowed by that treaty, proposing multinational arrangements to protect critical sea lanes and making clear that all nations (including China) are welcome to participate and that joint operations can begin immediately under “coalition of the willing” arrangements that build on lessons from Rim of the Pacific Exercise (RIMPAC). The U.S. case could be strengthened by bringing U.S. claims and nomenclature for features in the Pacific into conformity with the PCA ruling.

China’s internal problems and deep suspicion of U.S. intentions make it unlikely that China will respond positively to big ideas proposed by Washington, but that is not a reason to refrain from making such proposals. At a minimum, we can demonstrate to the region, and to many in China’s elite, that the United States seeks not to isolate or contain China, but to integrate it into as many regional and global institutions as possible. China frequently demands a seat at the “big” table but has proven reluctant to accept additional responsibilities. China should be offered the same trade deal as is offered to other states in the region, but it would have to meet the same requirements.

Beijing’s record of compliance with and implementation of its international commitments is, at best, uneven. The new administration should remind Chinese leaders of those commitments and make clear that Washington expects better implementation. The list includes commitments to protect intellectual property and to regard cyber-theft of intellectual property as a crime. To encourage compliance, the administration should strengthen legislation that bars access to the U.S. market of items found to include stolen intellectual property and/or any products manufactured by companies found to have illegally appropriated the intellectual property of American firms. To deter cyber-theft, the administration should propose legislation that would enable American firms to build into their cyber defenses mechanisms that would infect, disable, or otherwise degrade any software extracted from their systems in other than authorized ways.
2017 began in North Korea with leader Kim Jong Un’s televised New Year’s Day speech saying that his country would soon be ready to test-fire an intercontinental ballistic missile (ICBM), ensuring that the DPRK would become a “powerful nuclear weapons-holding state” in 2017.

U.S. president-elect Donald Trump quickly responded on January 2 with two tweets: “North Korea just stated that it is in the final stages of developing a nuclear weapon capable of reaching parts of the U.S. It won’t happen!” And minutes later: “China has been taking out massive amounts of money & wealth from the U.S. in totally one-sided trade, but won’t help with North Korea. Nice!”

China’s foreign ministry spokesman dismissed Trump’s complaint, saying that China’s efforts on North Korean nuclear issues were “perfectly obvious.” In Seoul, South Korea’s foreign ministry welcomed what it termed Trump’s “clear warning” to Pyongyang, and went on to claim its own “active outreach to the Trump team had helped shape what it chose to interpret as “a firm stance on the necessity to keep imposing strong pressures and sanctions against the North and maintaining close cooperation between the U.S. and South Korea.” The ministry also reportedly assigned a full-time officer to monitor and analyze all the President-elect’s tweets.

North Korea subsequently let it be known that it could test an ICBM “at any time and any place,” prompting yet another response from Seoul.

Kim Jong Un, since coming to power five years ago, has doubled down on his objective of accelerating North Korea’s nuclear weapons and ballistic missile development. He has disavowed his father’s commitment to denuclearization in the Six-Party Talks and embedded North Korea’s nuclear status in the DPRK constitution. Ever-tightening sanctions have not yet yielded an altered calculus. He shows no interest in renewed diplomatic engagement absent U.S. “recognition” of the DPRK as a nuclear weapons state (à la India, it has been suggested) and agreement to join in peace treaty negotiations on that basis. The potential for regime instability exists, but is impossible to predict. Kim likely calculates that having disposed of internal rivals, time is on his side to consolidate North Korea’s nuclear “status,” while waiting to see what happens in Seoul’s political transition and in U.S.-China relations before considering a new diplomatic move.

It was the George W. Bush administration that pushed China to take a larger responsibility for the North Korean nuclear issue through chairing the Six-Party Talks. While the talks failed in their goal of North Korea’s denuclearization and normalization, they did begin a habit of U.S.-China consultation on North Korea that has been useful, if fraught. Beijing has joined, albeit reluctantly, in passing and at least partially implementing strong new sanctions in the UN Security Council in reaction to North Korean nuclear and missile tests. Beijing insists the United States has an exaggerated notion of China’s influence on Pyongyang, where resentment of Beijing is entrenched and scarcely disguised. In any event, Beijing is unprepared to risk regime instability or collapse in the North, and Pyongyang knows it.

South Korea’s eager response to President-elect Trump’s North Korea-related tweets reflects anxiety and a sense of vulnerability in Seoul, and not just about North Korea. Trump’s victory was unexpected. His comments during the campaign about free trade agreements, about alliances and burden-sharing, and about nuclear weapons as a possible option for South Korea and Japan, were unsettling in a country where every aspect of U.S.-
South Korean relations is scrutinized and parsed. U.S.-ROK ties are broader and deeper than ever, but South Koreans worry that the vacuum and uncertainty of their current politics—President Park has been impeached and her functions are being carried out by the Prime Minister in an acting capacity until the constitutional court decides her fate—puts them at a severe disadvantage in building relationships with the new administration in Washington. The next presidential election will be between April and December, depending on the court’s action on impeachment. A new president, especially if from the progressive party, will likely be under some public pressure to lower tensions with North Korea and reengage, particularly if Pyongyang seeks dialogue.

Given all this, a thorough review of overall Korea policy makes sense. But President Trump and his advisors do not have the luxury of waiting for the results of a policy review before engaging on Korean issues. Immediate first steps should include the following.

First we should dissuade North Korea from an ICBM test. Publicly, the new administration should reaffirm Secretary Ash Carter’s public statement that the United States would use military means against an ICBM that appeared to threaten the United States or one of our allies. Regular spring ROK-U.S. joint military exercises should be held, but calibrated and conducted to avoid giving Pyongyang extra pretext for a test. The Trump administration should reactivate the New York channel with North Korea representatives to convey openness to renewed diplomacy, while at the same time being clear about the consequences of an ICBM test. President Trump should also appoint and empower his high-level special envoy to travel to Pyongyang with those messages. China will share this goal, and the new Trump administration should establish a dialogue with China on North Korea based on this shared interest rather than linked to other issues in the U.S.-China relationship such as bilateral trade.

Second, the U.S.-ROK relationship will need early and special attention in 2017. With names already announced for Beijing and Tokyo, a new American ambassador for Seoul should be nominated soon. Despite the political leadership vacuum in Seoul, the Trump administration should strive for the closest possible diplomatic and political as well as military coordination on North Korea with our South Korean allies. Discussions on burden-sharing and any revisions to the U.S.-Korea Free Trade Agreement (KORUS) should wait until after the South Korean election. U.S. neutrality in the South Korean election, along with demonstrated respect for South Korea’s democracy, will be carefully monitored, and is essential, as is strengthening U.S. contacts and outreach across the political spectrum in South Korea.

Secretary of Defense Mattis made the ROK his first stop on his first overseas trip in his new job. This was wise, and will help to reassure the South Koreans (and Japanese) and begin to implement both immediate policy recommendations above.
The incoming Trump administration inherits a U.S.-Japan alliance that is at a high point in terms of a close, working partnership that is effectively contributing to the national interests of both countries. At this moment, Japan is far and away the most valuable ally of the United States in Asia, if not globally. Japan’s importance as a global actor and ally has grown in tandem with the rise of China as a regional and global power that seeks to challenge the international order that is maintained by Japan and the United States.

In the security realm, Japan has taken on a larger role both globally and regionally, offering vital support to the United States in preserving peace in areas of nuclear proliferation, terrorism and maritime security. Japanese forces are now participating in peacekeeping operations in Sudan, in joint naval exercises from India to Australia, providing equipment and training assistance to countries such as the Philippines and Vietnam, joining the United States in trilateral security cooperation with South Korea, stepping up missile defense preparation in response to North Korea’s missile and nuclear testing, and intensifying joint contingency planning and operational cooperation with the United States. Japan has joined the United States in opposing China’s efforts to undermine maritime access in the South China Sea, as well as its assertion of a de facto status as the regional hegemon.

Japan’s growing role is the result of the decision of the cabinet of Japanese prime minister Shinzo Abe to reinterpret the constitution to allow for the exercise of the right of collective self defense, and the passage of enabling legislation to that end, along with a small but important rise in Japanese defense spending.

The Japan Defense Ministry is actively acquiring advanced weaponry in cooperation with the United States, including the F-35 fighter and the Osprey lift aircraft. In addition, Japan is faithfully attempting to implement the agreement to relocate the Futenma Marine Air Station in Okinawa to Camp Schwab, despite serious opposition in Okinawa to this move. It is also important to note that Japan continues to provide significant funding for the construction of new facilities on Guam to allow for relocation of Marine infantry to that location, as well as the largest levels of host nation support for American forces of any country, forces that constitute the largest basing of American forces overseas.

The Abe administration, with the encouragement of the Obama administration, has supported closer cooperation with South Korea, attempting to overcome long-standing tensions over historical issues related to World War II. The trilateral agreement on intelligence sharing has been accompanied by increasing talks and active cooperation on countering the growing North Korean threat. The December 2015 agreement to provide assistance to the surviving Korean “comfort women” and provide a personal statement of apology by the prime minister was an important step towards furthering reconciliation and cooperation.

In the realm of historical reconciliation, the visit of President Obama to the site of the atomic bombing in Hiroshima, followed by the visit this December of Prime Minister Abe to the memorial for the victims of the Japanese attack on Pearl Harbor, reflect the deepening level of our alliance.

The Abe administration has also pursued an improvement of relations with Russia, which remains an important, though diminished, actor in East Asia. Prime Minister Abe has tried to ac-
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complish the historic goal of solving the territorial dispute that arises out of the end of the war and to finally sign a formal peace treaty with Russia. This remains a difficult task. The Obama administration actively discouraged this effort, fearing that it would result in Japan breaking ranks with the United States and Europe on the imposition of sanctions after the Ukrainian crisis. This is a short-sighted response and fails to see the advantages for the alliance in a successful Japanese effort to separate Russia from its Chinese partner in the region.

Alongside these steps in the realm of security and historical reconciliation, the Japanese government committed itself to participating in the negotiations on the creation of the multilateral Trans-Pacific Partnership (TPP). At some political risk, Prime Minister Abe pushed through the bilateral negotiations with the United States and the ratification of the TPP by the Japanese parliament. The prime minister presented the TPP as a vital tool for the reform of the Japanese economy to make it more capable of competing in the global economy. The agreement, which made significant steps toward opening Japan’s relatively closed market for agricultural goods and preserved the agreement on access for Japanese-made light trucks to the U.S. market, was supported by American agricultural and industrial groups.

At this moment, Japan enjoys a period of almost unprecedented political stability. The coalition government led by the conservative Liberal Democratic Party has been in office for more than four years, led by Mr. Abe, and enjoys a dominant position in the Diet. The prospect for continued conservative rule, and for an extended term in office for the prime minister, reflects a high degree of consensus in Japan’s polity about the future course of the nation. In contrast to neighboring South Korea, where political stability is in question, Japan is an island of predictability and a mature public that is rare in the advanced industrial world today.

Alongside these positive developments, there are also areas of concern for U.S. policymakers in the management of our alliance.

In the security area, there remains a danger of an escalation of tensions between Japan and China in the East China Sea, particularly around the disputed Senkaku Islands. Such escalation could result from the growing presence of Chinese naval and air forces, and Japanese forces to counter them, with a growing danger of accidental clashes that could move rapidly toward the use of force. We need to be careful to caution against such escalatory dangers and to encourage ongoing efforts at crisis management in the region.

There is also a danger of reversion to tension between Japan and South Korea over historical issues, perhaps provoked by the return to power of progressive political forces in Seoul that oppose the agreements with Japan.

There is also the problem, however, of provocative behavior by extreme nationalist elements in Japan that have a strong voice within the current administration. The prime minister’s pursuit of a constitutional amendment to Article 9, the so-called “anti-war” clause of the post-war Japanese constitution, could potentially undermine the progress made in the security realm. It would raise tensions with China and South Korea, which view such changes as evidence of militarist intent. But even more problematic, it may trigger a strong public outcry within Japan and cause new restraints on Japan’s currently modest, but important, steps toward taking on greater security responsibility regionally and globally.

In the area of economic policy, Japan’s modest achievements toward restoring growth in the economy can be easily reversed. The momentum of growth requires further reforms aimed at opening the economy to foreign investment and trade and encouraging budding forces for innovation within Japan. Moreover, Japan faces long-term challenges of a demographic nature, characterized by a shrinking population and a growing shortage of labor. The decision to withdraw from the TPP may serve to reinforce elements in Japan that oppose market reform and opening. It would also aid China’s attempt to be the organizing center of regional integration in Asia and put Japan in a position of either bandwagoning with China or becoming isolated in the region.

On this basis, I would recommend the following policy measures, designed to reinforce the signif-
significant achievements in our alliance to date, as well as to avoid some of the dangers that are ahead:

- The United States should open consultations at a senior level with the Abe administration regarding how to proceed on trade and market opening measures. The goal should be to salvage aspects of the TPP that are considered favorable outcomes for both countries, in the form of a bilateral free trade agreement or a more confined multilateral agreement such as one that could include Vietnam.

- The United States should propose the convening of head-of-state–level trilateral cooperation summits with Japan and South Korea, on an annual basis, perhaps in association with the convening of the East Asian Summits. Trilateral cooperation should extend to other areas including energy security, cyber security, and protection of intellectual property rights. In that context, the United States should strongly caution against a step backwards on historical reconciliation, even in response to provocative acts;

- The United States and Japan should move rapidly to deepen joint contingency planning and operational cooperation between our armed forces, including at the level of the 2+2 consultations;

- The United States should offer to review the basing arrangements of U.S. forces in Japan, including on Okinawa, based on an honest readiness to accelerate the redeployment of the Marine infantry to Guam and, on that basis, to reconsider the need for the replacement facility in Henoko;

- The United States should consider, in that review, the need to augment both naval and air forces based in Japan on the main islands of Honshu and Kyushu with the goal of strengthening deterrence against North Korea and also balancing Chinese military buildup;

- The United States should avoid any comments that would appear to interfere in the internal debate within Japan on constitutional revision, including any suggestion that the United States favors revision of Article 9.
What should, can, and will be done are three different things. The focus of what follows is mainly on “should,” less on “can,” least on “will.” This choice is dictated not only by the natural opacity of the future, but also by exceptionally high current levels of uncertainty in Washington and the world, including in Southeast Asia.

Uncertainty in this context is the enemy of reassurance—and the friend of anxiety. Neuralgia toward uncertainty is especially evident in two peripheral regions, Eastern Europe and Southeast Asia, that are vulnerable to manipulation, incursion, and domination by powerful neighbors, respectively Russia and China. These regions are sensitive to perceived American indifference—or antipathy—as well. Campaigning and governing are not the same. But these geopolitically precarious zones cannot feel reassured that in April 2016 Donald Trump the campaigner called for the United States to “be more unpredictable. . . . We have to be unpredictable. And we have to be unpredictable starting now” (New York Times, “Transcript: Donald Trump’s Foreign Policy Speech,” April 27).

As if world affairs were not already unpredictable enough, including in Southeast Asia. What crises could occur in the South China Sea, and with what consequences? What could a more bilateralist U.S. foreign policy mean for Washington’s ability, without triggering war, to curb or moderate Beijing’s appropriation of its maritime “near abroad” to the detriment of American access? Will China fill the vacuum that President Trump has created by renouncing the Trans-Pacific Partnership (TPP)? Or can that rejection be partially salvaged or replaced by collectively beneficial economic policies and plans that will neither ignite a trade war with China nor allow it to foster unchallenged its own rules of trade and investment in Southeast Asia to the disadvantage of American prosperity?

Uncertain as well are the ramifications of: Philippine president Rodrigo Duterte’s anti-U.S. resentment, his feelers to China, and his shoot-from-the-hip style; the roiling turmoil in Malaysia as its corruption-tainted prime minister Najib Razak clings to his job; the intersection of intolerant Islamism, ethnic prejudice, endemic corruption, and electoral politics in Indonesia; and the behavior of Thailand’s controversial new monarch, an untested man reportedly subject to extreme changes of mood now symbolically presiding over a politically divided country under military rule.

It is vital that the new administration avoid exacerbating unpredictability in Southeast Asia. Washington should reliably reassure Southeast Asians that it will neither provoke China into war nor acquiesce in the Sinification of their region. More detailed suggestions in this section follow brief comments on specific cases: Indonesia, Singapore, the Philippines, Vietnam, and the Association of Southeast Asian Nations (ASEAN).

**Indonesia** President Joko Widodo heads by far the largest county in Southeast Asia, but he has not used that eminence to raise Indonesia’s profile in foreign affairs. He has focused instead on improving domestic infrastructure in hopes of speeding economic growth. His campaign promise to make Indonesia a “global maritime nexus” has turned out to refer not to foreign policy but to boosting connectivity at home, within the archipelago. Nor is it clear how Indonesia’s sea-linked identity will or will not mesh with the Maritime Silk Road Initiative that China is pushing on land and sea through Southeast Asia.

In the South China Sea, Beijing has occupied, enlarged, and weaponized land features; harassed Southeast Asian fishermen; interfered in U.S. naval activity; ignored international law, and treated the
sea virtually as a Chinese lake. Jakarta has limited its response to rebuffing foreign fishermen from its own waters. Limited efforts by Widodo’s predecessor to facilitate an ASEAN-wide position on the South China Sea have not been renewed, nor has Widodo replaced them with fresh attempts to restrain China’s maritime expansion.

Singapore In sharp contrast to inward-looking Indonesia, Singapore’s tiny size and pivotal location oblige it to look beyond its few shores. Passivity in its foreign policy is not an option. The island’s material prosperity, political stability, military ability, and perceived vulnerability to external threats, including from China, have incubated and sustained a concentration of regionally and globally minded foreign-policy thinkers that no other ASEAN member can match. Singaporean discourse on foreign affairs is highly strategic. Foreign policy colloquies elsewhere in ASEAN, Vietnam partly excepted, tend to be narrower, more ad hoc, and shorter-term. Unsurprisingly in this light, Singapore takes seriously its current (2015–18) role as ASEAN’s coordinator of dialogue with China.

Like its co-members in ASEAN, Singapore does not want to have to choose between Washington and Beijing. But two recent instances of Chinese anger directed at Singaporeans have reminded them of the advantage of maintaining close economic and military ties to the United States. In September 2016, the official hard-nationalist Global Times accused Singapore of trying, at an international conference in Venezuela, to insert a reference to an international tribunal’s July ruling against China’s position on the South China Sea. Instead of ignoring the criticism so as not to offend Beijing, Singapore dared to label it “irresponsible” and “replete with fabrications,” prompting China’s foreign ministry to double down by repeating the paper’s accusation.

In November 2016 in Hong Kong, China intercepted a shipment of vehicles returning to Singapore from a military exercise on Taiwan. Citing Singapore’s close security ties with the United States, the Global Times accused it of “taking Washington’s side”—helping “to contain and deter Beijing”—and threatened possible damage to the city-state’s economy. China’s foreign ministry again stepped in, basically warning Singapore to shun any official cooperation with Taiwan. Again Singapore refused to kowtow, dismissing the affair as a “footnote” rather than a “strategic incident,” although that assuaging choice of words was itself strategic.

Philippines Much has been said and written about President Rodrigo Duterte’s anti-American tilt toward China. Suffice it to note two developments in November 2016: First, in their initial contact by phone, Duterte and Trump got along well. Each invited the other to visit his country in 2017. Second, according to Philippine officials, Duterte conveyed to Chinese president Xi Jinping his intent to issue an executive order transforming the lagoon inside Scarborough Shoal into a marine sanctuary and no-fishing zone. The shoal is claimed by Manila, but it is both claimed and controlled by Beijing in violation of international law. As of January 2017 Beijing had not publicly replied to Duterte regarding his plan, nor had he announced the zone.

In July–December 2016, Duterte’s anti-drug campaign reportedly involved or abetted the assassination of nearly six thousand Filipinos. He himself has admitted to killing suspected criminals when he was mayor of Davao. The question for Washington is whether to ignore the lawless violence so as not to worsen U.S.-Philippine security relations by pushing Duterte deeper into Xi’s embrace. In 2017, the Philippines, as ASEAN’s chair, will host a series of regional meetings including an East Asia Summit that President Trump will be expected to attend. Manila is also slated to replace Singapore as ASEAN’s coordinator of dialogue with China for three years starting in 2018.

Vietnam Relative to foreign affairs, domestic concerns rank higher in Hanoi than they do in Singapore. But no Southeast Asian nation’s identity is more deeply and solidly rooted in a constructed memory of struggle against, and survival despite, occupation by an outside power. Targeted in that memory is not only the United States during the Vietnam War but also—more lastingly and more deeply felt—China and its imperial precursors centuries prior to the “American War.”

Vietnam’s relations with China today operate on two tracks: government-to-government and party-to-party. Vietnam is a major claimant to land features and maritime space in the South China Sea. Its current approach to China in that respect
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involves both deeds and words. In August 2016, Hanoi placed mobile rocket launchers on five of the features it occupies, followed in December by the start of dredging operations at another such feature, Ladd Reef. Between these actions, in October, Vietnam’s vice-minister of defense went so far as to say that his country “will support the United States and other partners to intervene [yes, intervene] in the region as long as it brings peace, stability and prosperity.”

ASEAN  Last and least is ASEAN, whose ability to counterbalance Chinese designs on the South China Sea even rhetorically has been compromised by Chinese success in turning Cambodia into a client state. As long as Beijing keeps channeling money to Prime Minister Hun Sen in Phnom Penh, he will continue to veto any ASEAN statement that criticizes Beijing or even mentions the 2016 court ruling against its maritime claim. Yet for all its impotence and division, ASEAN is the one indigenous Southeast Asian forum within which China can, in theory, be productively and prudently engaged on local terms. In practice, insofar as bilateralism on security policy becomes the modus operandi of key ASEAN members, and of Xi’s China and Trump’s America as well, the already rather modest security role played by ASEAN will atrophy. If that happens, the group will be reduced to hoping for the best (or the least worst) from China in the South China Sea, while its members hedge their individual bets between Beijing and Washington without benefit of the bargaining clout that a unified ASEAN position backed by America could bring.

Recommendations

Chinese control over the South China Sea is in the interest neither of the United States nor of Southeast Asia. The seizure of Singapore’s vehicles in transit in Hong Kong is but the latest evidence that belies Beijing’s repeated guarantee that it will not interfere with freedom of navigation on a waterway of great economic and strategic importance to its many claimants and even more numerous users, including the United States.

With this assessment in mind, the Trump administration should:

- renew its predecessor’s refusal to endorse any claim to sovereignty over all, most, or some of the South China Sea and/or its land features made by any of the six contending parties—Brunei, China, Malaysia, the Philippines, Taiwan, and Vietnam—pending the validation of such a claim under international law.
- strongly encourage all countries, including the six contenders, to endorse and implement the authoritative interpretation of the UN Convention on the Law of the Sea (UNCLOS) that was issued in July 2016 by an UNCLOS-authorized court, as noted above. While emphasizing that it, too, will abide by the judgment, Washington should also strive to ensure American ratification of UNCLOS.
- maintain and fulfill the American promise to engage in publicly acknowledged freedom of navigation operations (FONOPs) in the South China Sea on a regular basis. Previous such FONOPs were conducted in October 2015 by the USS Lassen; in January 2016 by the USS Wilbur; in May 2016 by the USS Lawrence; and in October 2016 by the USS Decatur. The increasing length of the intervals between these trips, despite a defense official’s promise to conduct them twice every quarter, has encouraged doubts about the commitment to freedom of navigation they were meant to convey.
- announce what has hitherto been largely implicit: that the FONOPs are more than mere brandishings of American naval prowess. The world should know that their purpose is to affirm a core geopolitical stand: that no single country, not the United States, not China, nor anyone else, should exercise exclusive or exclusive control over the South China Sea.
- acknowledge that edible resources in the South China Sea have been fished down to between 5 and 30 percent of what they were in the 1950s; propose semi-official (Track II) consultations—leading to official (Track I) negotiations to protect the biota from outright collapse; argue that such talks should cover both IUU (illegal, unreported, unregulated) fishing inside coastal exclusive economic zones (EEZs) and overfishing in waters whose non-national (high seas) status in the Spratlys has now been validated under
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international law; provide real-time fishery surveillance by satellite through the Southeast Asia Maritime Security Initiative (2016–21); and invite both claimants and users, including China, to take part in a multinational effort to ratchet the catch down to maximum sustainable yield (MSY). In this context, the United States should also point out and underscore those parts of the UNCLOS tribunal’s 2016 ruling that call for environmental and biota protection at Scarborough and Second Thomas Shoals.

On non-maritime matters relating to Southeast Asia, the Trump administration should:

▪ declare a fresh approach to Northeast and Southeast Asia called “mutual engagement.” That transactional rather than regionalist term would label a two-way street in which benefits accrue both to the United States and each of its partners in bilateral interactions. Mutual engagement would, however, not preclude also using multilateral diplomacy to constrain China while drawing it into commitments that would serve the interests of all concerned.

▪ assign a task force to study and learn from the differing but pertinent strategic outlooks and initiatives to be found in the foreign-policy communities of the more outward-oriented ASEAN member states and societies, notably including Singapore. The balance of influence between state and party actors in Vietnam should be assessed, for example, and Americans should consider how U.S. policy might take into account the strategic thinking of relevant actors in Indonesia.

▪ be sure not to discourage the State Department from criticizing human rights violations under Duterte. But plan to release the 2017 edition of State’s annual worldwide human-rights review far enough in advance of the August 2017 ASEAN summit in the Philippines that any anger in Manila will have abated by then. President Trump should attend the summit in a visit carefully choreographed to reduce the chance of an off-script flare-up, keeping in mind that, as noted above, the Philippines will soon be coordinating ASEAN’s relations with China.

▪ investigate the modalities, including the costs and benefits, of joining the Asian Infrastructure Investment Bank. Washington should also consider whether Trump’s priority on domestic infrastructure might be constructively related to China’s burgeoning Maritime Silk Road Initiative (MSRI) and Indonesia’s notional “maritime nexus,” especially insofar as pushback against Chinese behavior on a range of MSRI projects in Southeast Asia may be stoking local interest in American construction firms, including in areas such as cyber-access, satellite relays, and telecommunications. Standardizing the measurement and extending the data points in the real-time reporting of air pollution across Southeast Asia, for example, including the recurring “haze” from Indonesia, could become a priority for ASEAN and an opportunity for tech-savvy U.S. businesses.

▪ quietly explore whether key elements in the still-born Trans-Pacific Partnership that are generally consonant with U.S. interests and values, such as intellectual property rights, labor union autonomy, and environmental protection, could be detached from the TPP, renamed, and possibly tweaked as separate agreements that might be ratifiable by Congress, supportable by Japan and other TPP signers, including Singapore, Vietnam, Malaysia, and Brunei, and open to eventual Chinese affiliation. Without overselling the utility of regional agreements, the administration should also consider whether to:

  » strengthen the proposed ASEAN Pacific Alliance (including Chile, Colombia, Mexico, and Peru) insofar as it offers an opportunity for some trans-Pacific involvement by the United States in the absence of the economic commitment to Southeast Asia that a TPP would have conveyed;

  » introduce beneficial elements of the TPP into the plans for Asia Pacific Economic Cooperation (APEC), noting that Vietnam, which would have benefited more from the TPP than any other member, will host the APEC summit in 2017; and

  » upgrade the East Asia Summit, to which the United States belongs, as a China-including capstone venue for economic as well
as security cooperation in the Asia-Pacific. Economic diplomacy with Southeast Asia, bilateral or regional, can serve both the economic and the security interests of the United States, by ensuring that the International Date Line does not become a wall that consigns Southeast Asians to servicing Chinese interests and amputates America’s identity as a Pacific power.

- rescind the unnecessary January 27, 2017, executive order “Protecting the Nation from Foreign Terrorist Entry into the United States.” By profiling entire nationalities and singling out Muslims, the order is causing major soft-power damage to America’s reputation and potentially major physical damage to American security. If the order cannot be rescinded now, the administration should announce its planned termination as soon as possible and, in any case, before the beginning of Ramadan on May 26, 2017. In the meantime, through visits to and statements in Southeast Asia by American officials and diplomats, the administration should strive to reassure the millions of Muslims there and elsewhere that the U.S. government:
  - knows what a tiny proportion of Muslims worldwide are terrorists acting in their religion’s name;
  - does not equate Islam with terrorism; and
  - respects the nonviolent and uncoerced practice of all religions, including Islam. These assurances should be accompanied by stepped-up cross-cultural programming to acknowledge and refute, or at least to allay, the fears of moderate-majority Muslims. A goal of such activities should be to counter the arguments already being made by jihadists that the executive order is a “blessed ban”—“blessed” in that they are citing it to confirm their claim that Americans and their government really do hate Islam, really are waging war on Islam, and therefore deserve being attacked in Islam’s name in America and around the world. Special attention should be paid in this remedial context to Indonesia, which has more Muslims than any other country, and to Muslim-majority Malaysia.