The Future of US Alliances in Asia

By Abraham M. Denmark & Brian M. Burton

THE ECONOMIC RISE OF ASIA, which has enabled the concomitant increase in the region’s political and military power, has fundamentally restructured power dynamics throughout the Asia-Pacific. The region can no longer be understood in simplistic zero-sum calculations in which states threaten one another with military conquest. Interconnectivity and interdependence now defines the region, and economic competition has trumped military competition as the means to power and pre-eminence. America’s Cold War allies Japan, South Korea and Taiwan became highly developed, with powerful economies and democratic polities in their own right. States in South and Southeast Asia, most notably India, Indonesia and Vietnam, are more recently on the rise.

Meanwhile, America’s capacity to maintain its regional position is starting to erode. The global financial crisis of 2008 and the wars in Iraq and Afghanistan have served to drive home the point that US wealth is not inexhaustible, and its military power has limits. US policy makers and the public are increasingly concerned about a spiraling national debt that could exceed 100 percent of GDP by 2020 and its effects on American standards of living. The US political climate is defined by anxiety over lackluster economic growth at home and apathy towards ongoing operations in Iraq and Afghanistan that have likely sapped enthusiasm for major overseas initiatives; at the same time, a coming budget crunch will likely have a negative impact on the ability of the US to maintain its massive overseas military presence. A prominent debt review commission has recommended significant cuts to the Defense Department budget.\(^1\)

Because the US has for so long defined its role in
America’s alliances have been a bulwark of stability and prosperity for the Asia-Pacific region since the end of World War II. Yet the rise of Asia as an economic and military power in its own right is changing the fundamental power dynamics of the region and the strategic calculations that underpin these alliances.

Abraham M. Denmark and Brian M. Burton argue that it is time for the US to rethink how to strengthen its ties with Asia in response to these changes.

Asia as an external balancer and security guarantor (and taken on substantial costs for doing so in Japan and South Korea), reductions in America’s military presence would constitute a major power shift both in perception and in fact.

The most prominent variable in the region is China, which increasingly poses a number of strategic challenges to the US and the existing regional order. China has positioned itself as a leading economic power that other states, both in Asia and globally, increasingly rely upon for trade and aid. China’s economy recently passed Japan’s to become the world’s second-largest, and if current growth rates persist it could surpass the US by 2030. The economic power of China is increasingly felt in Asia as it becomes a leading import and export partner for nearly every state in the region. Its investments in the developing world have become something of an alternative to Western loans, which typically come with onerous reform requirements.

These manifestations of Chinese economic power serve to complicate power dynamics across the region; states are reluctant to engage in extended disputes with China if economic relations are threatened. China has already demonstrated a willingness to employ some forms of economic pressure to attempt to resolve disputes in its favor: in one recent example, Chinese exports of rare earth minerals were restricted in order to pressure Japan into returning a Chinese fishing boat captain arrested in disputed waters. The reliance of many states on China for their own economic growth causes them to seek positive relations with Beijing even though they may be concerned about its political ambitions.

China’s willingness to use its economic power for strategic ends mirrors its increasing tendency to challenge long-standing international norms. China’s emphasis is not on global reform or free trade, but on securing access to markets and resources in a neo-mercantilist fashion ultimately designed to benefit China. Chinese investments come with “no strings attached,” which has had the effect of undermining international efforts to pressure states like Iran, Burma, North Korea and Sudan to halt proliferation or enact democratic reforms. China’s economic support can replace what the US, Europe, or organizations like the IMF could provide — thus relieving somewhat the pinch of international punishment for misbehaving regimes. In a similar vein, China has challenged freedom of navigation in international waters by declaring the South China Sea a “core interest” and claiming it in its entirety as part of its exclusive economic zone (EEZ). It has also made similar proclamations regarding the Yellow Sea, loudly protesting planned US military exercises and holding robust military maneuvers of its own to demonstrate its burgeoning armed might.

But while the potential Chinese military challenge tends to draw the most US attention, it is
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Defending against particular security threats, alliances should become vehicles for sharing the burden of managing the international system in a multipolar era. System management means addressing common problems — whether they involve security, the economy, the environment, or politics — by expanding the pool of allies and partners that are engaged, and empowering them to substantially contribute to the health and success of the international order. Instead of maintaining a set of hub-and-spoke relationships based on formal military agreements, the US should develop a looser network of relationships in which economic ties and political cooperation on a broad range of issues play a central role. Similarly, military relationships with a greater number of partners should be less formal and flexible enough to address a wider variety of challenges.

The focus of US policy makers must be twofold: to revitalize America’s well-established alliances in northeast Asia and to expand and deepen American relationships in south and southeast Asia. In northeast Asia, American leaders should reaffirm the importance of ties to Japan and South Korea while recognizing the need to adapt them to new circumstances.

This emerging Asian regionalism presents both a challenge and an opportunity for the US. With its foreign policy focus frequently directed elsewhere over the past decade, America has not played a driving role in this movement and risks being left behind by an Asia that is moving ahead economically and a China that is primed to take advantage of that. Asia is going to be the main area of growth in the global economy in the years to come, but the US has yet to develop any new free trade relationships or join whole-heartedly into the region’s emerging multilateral economic arrangements. And though the administration of US President Barack Obama is participating in regional meetings and demonstrating a strong rhetorical commitment to its Asian relationships, it has yet to truly entrench America’s position as a resident Pacific power, not an interloper on the Asian scene.

BUILDING AMERICA’S ALLIANCES FOR THE ASIAN CENTURY

The US must act creatively and rapidly to evolve its existing alliances while building new partnerships. Instead of focusing solely on deterring or crucial that neither China nor military issues should dominate America’s view of the region. The real key to successful relations in Asia lies in a willingness to participate constructively in the growing trend of Asian regionalism and recognition of the centrality of trade in the region. Asia’s rise was enabled and supported by an international system founded and maintained by the US, but today Asian nations are increasingly involved in political and economic arrangements in which America plays little role. The Association of Southeast Asian Nations (ASEAN) has become indispensable for facilitating trade and supporting economic growth; its free trade agreements with China, India, Japan and South Korea are among the most promising avenues for regional economic integration. It also provides a major forum for regional political and security talks. But ASEAN and its affiliated fora, such as the ASEAN + 3 and the ASEAN Regional Forum (ARF), are just the best-established of an emerging web of regional relationships that are binding states closer together economically and, as a consequence, politically.

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With the defeat of the long-ruling Liberal Democratic Party in 2009, Japan has begun a long-simmering popular re-evaluation of the US-Japan alliance. While polling in Japan shows general support for the alliance running at close to 80 percent, local-level opposition to American military basing arrangements has thrown a wrench into plans to evolve the alliance. Combined with partisan paralysis in Tokyo, this has meant an alliance that is struggling to shift to the challenges of the 21st century. As detailed in a recent report by the Center for a New American Security (the home organization of the authors), the US and Japan should move quickly to renew their alliance by jointly addressing China, North Korea, the regional architecture, the global commons, the environment, natural resources, public support in Japan and fiscal health on both sides.

Unlike its alliance with Japan, America’s alliance with South Korea has in recent years been at...
something of an apogee. South Korea is America’s seventh-largest trading partner (just ahead of France), and the personal relationship between Presidents Lee Myung-bak and Obama is reportedly the strongest in the region. The US and South Korea cooperate closely on the international stage, and are examining options for the alliance to “go global” to address international issues. Yet the US-South Korea alliance also faces significant challenges, from the threat of a North Korean attack, to the potential for its collapse, to the long-range challenge posed by a rising China. The US and South Korea plan to transfer the responsibility of wartime operational control (OPCON) from the US to the South Korean military in 2015, and are undertaking a raft of initiatives — under the name “Strategic Alliance 2015” — to prepare.

America’s approach to alliances and partnerships needs to catch up to the rising significance of South and Southeast Asia. The littoral of East and Southeast Asia, from the Sea of Japan to the Bay of Bengal, are rapidly emerging as the most politically, economically and strategically important region of the world. The region’s economies have expanded rapidly in recent years, with the US investing over $173 billion in 2010 — more than three times the amount invested in China and almost 10 times its investment in India. And while much of the world has focused on the implications of decades of double-digit growth in China’s defense budget, Southeast Asia has in recent years seen an explosion in defense spending. According to the Stockholm International Peace Research Institute, the value of weapons purchases in Southeast Asia nearly doubled between 2005 and 2009. That year also saw India increase its defense budget by more than 20 percent. Of fundamental importance for the US is that most countries in South and Southeast Asia seek a closer relationship with it as a source of investment and technology, a market for goods and as a hedge against the potential for Chinese aggression or coercion. The region wants the US to be engaged and involved, and it is up to Washington to answer the call.

To advance its ties across Asia, the US should base a new approach to alliances and partnerships around these five initiatives:

- **Pursue Strategic Trade:** As the economies of the Asia-Pacific region expand and grow increasingly interdependent, economic engagement by the US will be critical to ensuring America’s continued political influence and presence in the region. Unfortunately, America’s current domestic political climate is not particularly supportive of free trade and the current US administration has not yet articulated a clear trade policy, declaring its support for free trade but not following through with final agreements. FTAs have expanded significantly in the past decade and by 2008 accounted for over 50 percent of all but one ASEAN countries’ trade. China is already utilizing FTAs and other economic agreements, such as the China-ASEAN Free Trade Agreement (CAFTA), to expand its influence. While not a robust FTA as Americans would define it, Ernest Bowers points out that CAFTA creates “an economic region of 13 million square kilometers with 1.9 billion consumers, a regional GDP of about $6 trillion and total trade estimated at $4.5 trillion.” It is also the biggest FTA in the world in terms of population size and the third largest in terms of economic value (after EU and NAFTA). CAFTA may not be comprehensive, but its impact is practical and it is clearly having a strong impact on the economic integration of China and ASEAN and East Asia generally.”

This is not simply an economic policy problem. In a globalized world, in which states pursue economic competition, economic power is equally as important as military power. Closer economic ties have political and strategic implications. As Evan Feigenbaum wrote a year ago, “The business of Asia is business. Without more vigorous trade engagement… diplomatic efforts cannot secure America’s position in a changing Asia.” The perceived lack of a serious US trade policy contributes to other countries turning to China as the partner of choice, and China has already demonstrated a willingness to manipulate economic and trade policy for its own political gain.

Trade therefore must be viewed as a critical issue for the US in its approach to the region. FTAs must no longer be seen as unique arrangements...
between states whose economic interests happen to align, but as essential elements of 21st-century alliances in Asia. Proposed FTAs with South Korea, Australia and Japan, as well as the Trans-Pacific Partnership (TPP), could well be the foundation for this evolution in America’s relationship with the Asia-Pacific.

**Encourage Intra-Regional Cooperation:** As Asian powers rise, the US should encourage its allies and partners to work more closely with one another. Intra-regional cooperation has greatly expanded in recent years, which has helped to reduce regional tension and suspicion while contributing to regional stability. For example, cooperation between Malaysia, Indonesia and Singapore to jointly patrol the Strait of Malacca has significantly reduced incidents of piracy in that key waterway.

Going forward, the US should work closely with formal and informal regional organizations — such as ASEAN and the Malacca littoral states, respectively — to encourage robust and effective intra-regional cooperation. Further, the United States should act as a bridge to improve regional cooperation by expanding military exercises from bilateral to multilateral. Japanese military officials attending US-South Korea exercises and South Korean officials likewise attending US-Japan exercises, is a promising start. Similarly encouraging are signs of a strategic convergence between Japan and India. The more the US can facilitate collaboration among its allies, the stronger it will be.

**Foster Green Alliances:** As the US seeks to broaden its alliances in Asia, it should engage partners not just on trade and traditional security issues, but also on emerging “nontraditional” challenges. One principal area for America to collaborate constructively with Asian nations is in “natural security,” or the security implications of climate change, environmental degradation and natural resource dependence. This area will be important to both Washington’s old allies in the region and ones it hopes to cultivate. For example, Japan and the US share a heavy dependence on imported energy supplies that are increasingly expensive and vulnerable to supply disruptions. Joint renewable energy and infrastructure projects would be a useful way to promote further economic cooperation. Additionally, a still-developing Indonesia would benefit from training and assistance from the US Departments of Agriculture and Interior to balance economic growth with their desire to conserve natural resources and prevent excessive deforestation. These types of bilateral engagements on emerging issues will help keep alliances and partnerships fresh by increasing the array of issues upon which countries base their relations with the US.

**Engage Local Populations:** The expansion of democracy throughout Asia, along with the spread of access to information and instant communications via the Internet, will have a significant impact on America’s alliances and partnerships throughout the region. Military agreements and local disagreements over military basing will no longer be confined to concerns of policy elites and civilian populations who live close to American bases. Host governments will increasingly have to manage nation-wide perceptions of the US and its military, especially when controversies and disagreements arise.

Government accountability to their populations will force host nations to be more sensitive to national sentiments, which will be increasingly driven by modern information and communication technologies. According to a report by the International Telecommunication Union, the Asia-Pacific region boasts the world’s largest share of Internet users, with 551 million in 2007. A report from Forrester Research estimates that by 2013, 43 percent of the world’s 2.2 billion Internet users will be based in Asia, with 17 percent in China alone. Indeed, the report estimates that in 2013 China will have the most Internet users, followed by the US, India, Japan and Brazil.

In his visits to American allies and partners, Obama has made a practice of speaking directly with local populations. Such popular engage-
ment will be increasingly essential to the long-term strength of America’s alliances, as popular support for the alliance will give the host national government greater leeway to work with the US.

Yet message isn’t everything — the US must also take local sentiment into account in implementing alliance and partnership agreements. Without an immediately identifiable threat, host nations will be reluctant to support large, burdensome US military bases. This is especially true when issues of sovereignty and national pride come into play, as they did when Indonesia placed severe restrictions on foreign humanitarian assistance and disaster relief operations following the 2004 tsunami. Yet message isn’t everything — the US must also take local sentiment into account in implementing alliance and partnership agreements. Without an immediately identifiable threat, host nations will be reluctant to support large, burdensome US military bases. This is especially true when issues of sovereignty and national pride come into play, as they did when Indonesia placed severe restrictions on foreign humanitarian assistance and disaster relief operations following the 2004 tsunami.

The US military must therefore develop the ability to minimize its footprint on allied and partner host nations, and see some of them more as logistical support hubs for off-shore operations.

Realign Military Forces: The US should fundamentally re-examine how it uses bases and friendly ports to project and support military power in the region — a process called “place and bases.” Writing in Foreign Affairs, Robert Kaplan describes a new approach to basing in Asia — developed by retired US Marine Colonel Pat Garrett among others — that looks to Oceania and South and Southeast Asia as potential dispersed staging areas to maintain a US military presence beyond the range of Chinese ballistic missiles. This approach de-emphasizes the importance of existing US bases in Japan and South Korea in favor of diversifying America’s footprint throughout South and Southeast Asia to conduct security cooperation and capacity-building operations with new partners.

While this is certainly a prudent strategy when considering the threat posed by Chinese anti-access strategies, it is in itself inadequate to address the broader challenge of system management in a multipolar era. Bases are an essential aspect of America’s engagements with its regional allies and partners throughout the region, whose main motivation to support such facilities is the belief that they contribute to their own security. Therefore, while major bases in Japan and Korea can be somewhat reduced to allow for a more flexible force posture, they should also be sustained and modernized to account for future threats. Existing bases must be hardened and protected against precision strikes, and the US military should examine options to use them to support a more widely distributed force posture.

ENSURING A COMMON FUTURE
America’s future is linked to Asia’s future. A prosperous Asia in which the US maintains a diverse array of political, economic and security relationships with numerous states is likely to help ensure a prosperous international order based on principles of openness and opportunity. But if US policymakers fail to modernize America’s ties to the region, the country is likely to be left behind and face an Asia that is increasingly unconcerned or even unfriendly towards US interests. The US should take advantage of the opportunity to act now to establish strong alliances and partnerships for the Asian century.

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