

Herding Cats: Developing a Common Purpose in Asia Without Leadership

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Disruption on Trade

- Ideally, the community could come together around common interests on trade, security and the economy
- Trump's rejection of TPP and Abe's view that it is meaningless without US participation cuts the umbilical cord between security and the economy
- Will China's Regional Comprehensive Economic Partnership fill the void and dictate the norms for trade and investment in Asia?
- While the US has announced its possible decline in the Asia-Pacific, it is not certain that China will fill the void
 - TPP comprised a general agreement on the standards and rules that would be adopted by a diverse range of countries
 - RCEP does not have an integrated approach and permits members the flexibility to choose the commitments they are willing to sign up to

A Leadership Vacuum?

- Factors contributing to US influence in the region declining
 - Trust, moral authority, possible inward-looking posture of new presidency
- China still does not enjoy the US former and current (??) advantages
 - No network of allies (beyond North Korea)
 - BUT improving ties with the Philippines and Thailand, while dominating Cambodia and Laos economically and putting Myanmar under strain
 - Soft power not extended greatly, but its model of authoritarian politics and controlled markets appeals to some: Thai Generals
 - AIIB, BRICs Bank and OBOR can buy support and might help build trust
 - Offset by the nine-dash line, territorial disputes and strident nationalism
 - Mahbubani (East Asian Quarterly, Oct-Dec 2016) warned that China was “making serious strategic mistakes in its dealing with ASEAN” and was “sacrificing” long-term interests for short-term objectives—“great reserves of goodwill are drying up”

Key Regional Challenges

- Key challenges are in the security and economic realm and some are regional and some global but all cross-cut
- Regional Challenges
 - 1) North Korea
 - 2) Territorial Disputes with China
 - 3) Maintaining Economic Growth and Effective Trade and Investment
 - 4) Dealing with the Development of Chinese Power or Collapse

Dealing with North Korea

- White House transition team: NK is the “top national security policy”
- Countries in the region should be able to rally around limiting NK’s nuclear capabilities
- BUT, Six-party talks only seem to have given NK the time to advance its nuclear program
- Problem—ultimate divergence between bottom-line for the US and China
 - US-nuclear-free and not so concerned about regime collapse
 - China—nuclear free but very concerned about regime collapse
- Are the alternatives to NK nuclear development worse?
- Economic pressure to force China to act (Gordon Chang)?
 - But might have a more adverse effect on the US. See Dan Rosen study of relative US and Chinese investment in each other’s countries

Strengthen THAAD and try to persuade China to be more active

Trump and Taiwan

- Will Taiwan benefit for a Trump presidency or will policy resemble that of all administrations over the last almost forty years?
- RNC platform positive about Taiwan “with whom we share the values of democracy, human rights and the rule of law”
- Was the phone call a naïve move born out of ignorance or a calculated gamble
- Evidence favors the latter:
 - Bolton (Wall Street Journal, January 2016): US should consider playing the “Taiwan Card” v China to force it to abandon its South China Sea claims
 - Yates and Whiton (Fox News): response to call shows how absurd US-China policy has become
 - Navarro (Foreign Policy): This beacon of democracy in Asia is perhaps the most militarily vulnerable US partner anywhere in the world
 - No consultation with the State Department
- Trump, himself then tweeted both that he did not see why he should accept a congratulatory call and that China did not ask the US if it was OK to devalue their currency, tax US products and engage in a massive military build-up
- Both he and Mike Pence used the phrase President of Taiwan, not President on Taiwan and Tsai herself uses President of the Republic of China.

Trump and Taiwan

- What else might be possible from a Trump administration?
- Navarro, July 2016 in the National Interest
 - Not refer to Taiwan as a “nation” or “country” but recognize it as a “democracy” or “political entity”, thus signaling Taiwan’s de facto independence.
 - US leaders never acknowledge the “One China, Two Systems” policy-nor refer to “One China” again
 - Stop appeasing China over arm sales
 - Reaffirm US commitment to the Taiwan Relations Act and Reagan’s “Six Assurances”
 - Increase official visits
 - Commit more fully to modernization of Taiwan’s defense capabilities

Territorial Conflicts

- Mahbubani—they are conflicting with China’s long-term goals
- China has rejected UNCLOS and wants bi-lateral discussions, **it needs to be brought into a broader framework and revive Deng Xiaoping’s that resolution can be left to later generations, persuade China to concentrate on “win-win” policies**
- Regional level lacks the institutional architecture that Europe developed after the war.
 - Neither ASEAN plus 3 nor ARF serve this purpose
- **Rudd—use the East Asian Summit as a base as it includes all countries directly relevant to the region’s future strategic stability**
 - can be used to deepen discussions about trade and investment arrangements
 - **Role of Japanese inspired Economic Research Institute for ASEAN and East Asia**
- Prasad—China is “coopting other countries into the system of rules it wants to dictate”

Global Challenges

- Reordering Power in Existing Institutions
 - Reform of Bretton Woods institutions
 - Revitalizing the G-20
 - Dealing with the UN Security Council
- Collaboration on new public goods
 - Global Commons
 - Climate change
 - Fisheries
 - Water shortages
 - Global Engagement
 - Natural disasters
 - Peacekeeping
 - Fighting infectious diseases
 - Global Regulation
 - Finance and trade regulations
 - Cybersecurity

Final Comments

- Developing a viable US-China relationship remains vital and is at the core
- Unclear how this will play out under President Trump but as with Russia he has the opportunity to reset the relationship
- To move forward on the measures, it would require:
 - US accepting that it cannot dominate in all fields
 - China to adapt its outdated notion of sovereignty
 - Both problematic
- May not amount to Kissinger's call for building a Pacific Community but progress must increase trust and through that provide further building blocks