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Asia and President Obama's Second Term

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Abstract

How will Asia fare during President Barack Obama's second term as President? The change in the national security team in Washington would have some relevance but under President Barack Obama the real decision-making is done at the White House. It may, therefore, not matter much that a new cast of characters is now in place to conduct United States' foreign policy. At the same time, the regime will function without much friction since those in senior national security positions are of the same mind as President Obama. The president has gone from a "team of rivals"² he recruited for his first term to a team of the likeminded for his second term. Implementing basic policy decisions should, therefore, proceed smoothly. This paper explores what the new players are likely to bring to their desks and how America might, in President Obama's second term, attempt to shape the world.

Change at the State Department

With Hillary Clinton at the State Department, the Americans had an activist Secretary of State. During her four years in office she visited 112 countries, flew nearly a million miles and was on the road for 401 days. But she was not always able to have her way. She wanted,

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² This term was popularised by Doris Kearns Goodwin, using it as the title of her book on President Lincoln. See *Team of Rivals: The Political Genius of Abraham Lincoln*, New York, Simon & Schuster, 2006.

for instance, to arm properly-vetted groups within the opposition in Syria who were fighting the regime of Bashar Assad. She was overruled by the White House. But when she pressed for opening to Myanmar, President Obama went along with her to the extent of visiting the country during his fourth Asian trip in November 2012. Secretary Clinton was in his entourage. She also advocated a militarily more aggressive approach in Afghanistan. Only then, she believed, would the warring parties be persuaded to come to the negotiating table. “In Afghanistan, several officials said, she hungered for a success on the order of the Dayton Accords, which ended the Bosnian War. But when her special representative, Richard C. Holbrooke, who had negotiated that agreement, fell out of favour with the White House, those dreams died with him. Then came the Arab awakening, a strategic surprise that eclipsed America’s shift to focusing on Asia, and it plunged Mrs Clinton in a maelstrom. It tested her loyalty to long-time allies like President Hosni Mubarak of Egypt and reinforced her conviction that anger at decades of stagnation, fuelled by social media, would sweep aside the old order in the Arab world.”³

John Kerry, the new Secretary of State, comes to the office with a rich foreign policy background. He served as Chairman of the powerful Senate Foreign Relations Committee in the United States Senate during the time the Democrats were in charge. When Mr Obama was in the Senate, the two developed good working relations which came in handy when the White House wanted some trouble-shooting to be done in some sensitive areas. Mr Kerry made several trips to Pakistan and Afghanistan when the leadership in those two countries felt that the United States, in pursuing its own interests, was being totally unmindful of those of Islamabad and Kabul. It is likely that as Secretary of State, Mr Kerry will view himself more as an ambassador for the White House rather than as an architect of a foreign policy that carries his stamp. His voice in policy matters will be heard by the national security team but he is unlikely to push forward on his own.

Judging from some of the work that Mr Kerry did in the Senate, he is likely to pay more attention to using economic aid and trade as instruments of foreign policy. He partnered with the then Senator Richard Lugar, a Republican from Indiana, to write legislation for putting economic assistance to Pakistan on a firmer ground. Islamabad had long complained that the American interest in Pakistan had followed a roller-coaster course, with Washington’s interest peaking only when an association with Islamabad was in its strategic interest. The Kerry-Lugar bill assured Pakistan of US\$ 7.5 billion aid over the five-year period from 2009 to 2014, with US\$ 1.5 billion being delivered each year. That flow of assistance was virtually halted in 2011 as relations between the two countries rapidly deteriorated. It was resumed somewhat grudgingly a year later but not with the kind of enthusiasm that was embedded in the Kerry-Lugar bill.

If Mr Kerry is given some space to pursue his own interests in foreign policy, there is likely to be greater focus on Europe and the Middle East rather than on Asia and also on economic matters. It is interesting that the new Secretary chose to visit these two parts of the world

³ Michael Gordon and Mark Landler, “Backstage glimpses of Clinton as dogged diplomat, win or lose”, The New York Times, 3 February 2013, pp. 1 and 14.

soon after taking office. His visit took him to nine countries in 11 days, and he talked to more than 30 prime ministers, presidents and foreign ministers. According to Anne Gearan of The Washington Post who accompanied the new secretary on his first foreign visit, “he spoke French beautifully, German well, and English a lot”. But in each of the many speeches he gave, he emphasised that “it’s not the Kerry approach to foreign policy, it’s the Obama approach”.⁴ Mrs Clinton, on the other hand, regarded herself as a kind of a mentor to the inexperienced-in-world affairs President Obama. In approaching her for the job he recognised that he needed help from a seasoned player on the international field. For the second term, showing greater confidence he assembled a team of the like-minded. Mrs Clinton first travelled to Asia after joining the Obama cabinet, signalling the higher priority she and the new administration were assigning to that continent.

During his first foreign visit, Mr Kerry spoke often and with considerable passion about the need to provide aid to deserving nations and societies. As Susan Milligan wrote for the US News and World Report, “Secretary of State John F Kerry is no longer subject to the whims of voters, ill-informed or not. And that’s why Kerry had the freedom to deliver an important truth in his first speech as secretary: Not only is foreign aid good, not a drain on the budget, but it’s a cost-effective investment toward peace”.⁵

Change at the Pentagon

Former Senator Chuck Hagel was sworn in as America’s 24th Secretary of Defence on 24 February, replacing Leon Panetta who had served in that position for only one year. For most of the first term of President Obama, the Republican Robert Gates was Secretary of Defence, a holdover from the presidency of George W Bush. Mr Hagel had to fight hard before winning confirmation from the Senate. He shares with Mr Kerry a number of experiences. Both were in the Senate and both are veterans of America’s war in Vietnam. The latter experience had made both weary of war as an instrument of American policy. The Senate gave the new Secretary of Defence only grudging consent, after keeping him sweating in the queue for a long time. When the confirmation came, it was with one of the lowest margins of approval given to any secretary of defence after the job was created during the Second World War. He was confirmed with only 58 voting in favour and 41 voting against his appointment. What worried Mr Hagel’s opponents were a number of statements attributed to him in which he was critical of what he called the “Jewish lobby” for influencing the making of America’s foreign policy. He had implied that Washington had to be more even-handed if it were to play a meaningful role in getting a settlement in the Middle East involving the state of Israel and the Palestinians. He was also reluctant to use the threat of military intervention to get Tehran to move away from its suspected programme of developing nuclear weapons. He had expressed several reservations about the approach advocated by Prime Minister Benjamin Netanyahu to use force to persuade Iran to abandon its nuclear-weapons programme. The

⁴ Anne Gearan, “Kerry finds old friends, new rules on his trip”, The Washington Post, 7 March 2013, A9.

⁵ Susan Milligan, “John Kerry is right to defend foreign aid”, US News and World Report, 22 February 2013, p. 11.

Israeli leader wanted a red line drawn and to give a clear indication to Tehran that it could, by crossing it, expect the bombing of its nuclear development sites. Finally, Mr Hagel didn't believe that the United States needed to spend as much on defence as it had been doing over the last decade. These positions were of great concern to the conservatives in the American political system and they held up consent to his appointment for as long as they could.

There will be two areas of primary concern as Mr Hagel settles down at the Pentagon. He will want to ensure that the US will not lose its military strength relative to other rising powers while reducing expenditure on defence in a financially constrained environment. The other area of preoccupation will be the planned draw-down of the US troops in Afghanistan. Their number declined from 100,000 after President Obama ordered a surge in the size of the American force and dropped to 66,000 by the end of 2012; and by early 2014 its size is expected to fall to only 32,000. The president had not settled on the size of the American contingent after the US would no longer be involved in operational matters. It was in order to advise the president on that score that Secretary Hagel undertook his first overseas trip after taking office. He went to Afghanistan. "We are still at war", he told the members of the press that accompanied him on the visit. He will be involved with the planning for transferring responsibility for security to the central government in Kabul and to the police and army being trained by the North Atlantic Treaty Organisation (NATO) forces. "The transition has to be done right. It has to be done in partnership with the Afghans, with our allies. Even as we move into more of a support role, this remains a dangerous and difficult mission", he told the American and coalition personnel at one of the bases of operation.⁶

Mr Hagel's first visit to Afghanistan showed how complicated the situation was in the country in which the Americans had fought for 12 years without being certain about the result of this costly engagement. Two weeks before his arrival in the country, President Hamid Karzai imposed a two-week deadline for the expulsion of US Special Operations forces from Wardak, a sensitive province that was critical for the defence of Kabul. He accused the force of murder and other abuses. The US refused to accept the ultimatum, making clear that it would follow its timeline rather than that of the Afghan government. This obviously irritated the mercurial Afghan leader. A week later Karzai balked at the terms of the plan for the transfer of the Bagram detention centre maintained by the Americans, cancelling the handover ceremony. While the new Defence Secretary was present in the country, Karzai took another verbal shot at the Americans and their NATO allies. After bombs exploded in Kabul on 9 March 2013, the Afghan president suggested that they were a part of the conspiracy between the Americans and the Taliban. "In reality, the bombs [which] went off yesterday under the name of the Taliban were a service to the foreigners", he said, casting doubt on the assertion of responsibility made by the Taliban, which said that the attacks were carried out to mark Mr Hagel's visit. Karzai said the blasts helped Americans justify a prolonged presence in Afghanistan. "We have been down this road before too many times", explained the Afghan leader. The American commander was amazed at this claim. "We have fought too hard over the past 12 years" said Joseph F Dunford Jr., the new commander in the

⁶ Thom Shanker, "New defense secretary checks on transition in Afghanistan", The New York Times, 9 March 2013, p. A6.

field. “We have shed too much blood over the past 12 years, we have done too much to help the Afghan security forces grow over the last 12 years to think that violence or instability will be to our advantage”.⁷ If Secretary Hagel needed any confirmation that the task of orderly withdrawal of his country’s troops from Afghanistan would be a difficult one, it was provided during his first visit to that country.

Change at the CIA

The approval of John Brennan as Director of the Central Intelligence Agency also came in after a long fight in the Senate which included a 13-hour filibuster by Senator Rand Paul, a Republican from Kentucky. His confirmation was put on hold as he had been singled out as the man responsible for identifying and approving the killing by drones of the people Mr Obama’s White House believed were actively engaged in harming America. The “kill list” prepared by Mr Brennan was finally approved by Mr Obama, the first US president in history to micro-manage to such an extent. The Republicans were not prepared to give so much freedom of manoeuvre to the president that he could, without due process, order the assassination of people. There was special worry if those targeted were American citizens. This was the case with the American-born cleric Anwar al-Awaki who was killed along with Samir Khan, also a US citizen, in Yemen in late-September 2011. A few days later another drone attack took the life of Abdulrahman, Awaki’s 16-year old son, also an American citizen. These killings were the result of years of planning and deliberations. According to one detailed investigation of the operations, it was “apparently the first time since the Civil War, the United States government had carried out the deliberate killing of an American citizen as a wartime enemy and without a trial... If the president can order the assassination of Americans overseas, based on secret intelligence, what are the limits to his power?”⁸

It is in Pakistan that the drone programme has been the most active. This has produced political backlash in Pakistan as it heads towards another election. “The secret campaign has killed an estimated 4,700 people in Pakistan, Yemen and Somalia. A quarter [is] estimated to have been civilians, prompting anger among human rights campaigners”.⁹ Most of the civilian deaths occurred in Pakistan where the drone was used as the weapon of choice since 2004. According to research by the Bureau of Investigative Research, drone strikes killed between 474 and 881 civilians – including 176 children – in Pakistan between 2004 and 2012. Most of the deaths occurred during Mr Obama’s first term. For instance, Imran Khan, a rising star in Pakistani politics, identified the attacks by drones as a major concern which he will aggressively address if he were to gain power following the elections in May 2013.¹⁰

⁷ Ernesto Londono and Kevin Sieff, “Discord greets Hagel in Kabul”, The Washington Post, 11 March 2013, pp. A1 and A16.

⁸ Mark Mazzetti, Charlie Savage and Scott Shane, “A U.S. citizen, in America’s cross hairs”, The New York Times, 10 March 2013, pp. 1, 12 and 13.

⁹ Jon Swaine, “Barack Obama ‘has authority to use drone strikes to kill Americans on US soil’”, The Telegraph, 6 March 2013, p. 5.

¹⁰ See Imran Khan, *Pakistan: A Personal History*, London, Bantam Press, 2011.

The debate in the United States about the legitimacy of the use of drones widened with the nomination of Mr Brennan for the CIA. Questions remained even after the nominee won the Senate's approval. The issue was well summarised by Financial Times in an editorial. "As a constitutional lawyer, Mr Obama is well aware that his actions and classified justifications will be inherited by his successors, who may not be as conscientious in poring over "kill lists" as he has been. The time is past due to put the targeted killing programme on a statutory footing. No constitutional democracy can tolerate an executive that claims unilateral, perpetual and secretive powers over life and death. At the very least the drone programme needs to be subjected to judicial review overseen by Congress...What is clear is that Mr Obama can no longer base his actions on the 'just trust me' doctrine. Other powers, including China are developing drones. It will be in the US interest to restrain them. Unless and until Mr Obama proclaims and follows his own rules, he will have no basis to press them on others".¹¹ Even the liberal press had some serious reservation about the way the drone programme had developed. In a series of editorials, The New York Times, spelled out some of its misgivings and indicated some solutions for addressing the problem. "No American prosecutor can imprison or execute someone except on the orders of a judge or jury. The fundamental principle applies no less to the suspected terrorists that the executive branch chooses to kill overseas, particularly in the case of American citizens". And then, the newspaper proposed its solution. "A special court, which we first proposed in a 2010 editorial, would be an analogue to the Foreign Intelligence Surveillance Court that Congress set up in 1978. If an administration has evidence that a suspect is a terrorist threat to the United States, it would have to present that evidence in secret to a court before the suspect is placed on a kill list".¹²

Liberals and libertarians hardly ever agree in the United States about public policy. On the issue of drones and their use, however, they seem to be of one mind. In a newspaper article, Senator Rand Paul explained why he spoke for 13 hours to filibuster the Brennan appointment. "I wanted to sound an alarm from coast to coast. I wanted everybody to know that our Constitution is precious and that no American should be killed by a drone without first being charged with a crime. As Americans we have fought long and hard for the Bill of Rights. The idea that no person shall be held without due process, and that no person shall be held for a capital offence without being indicted, is a founding American principle and a basic right".¹³

Areas of Likely US Concern

It is always hard to concentrate on long-term strategic interests in the formulation of foreign policy. This is particularly the case for a country such as the United States that has a global reach. In his second term, President Obama no doubt would like to focus his attention on

¹¹ Financial Times, "Obama's drones and laws of war", 8 March 2013, p. 8.

¹² Quoted in Benjamin Witts, "The New York Times Proposes Judicial Review of Nearly All Drone Strikes", Lawfare: Hard National Security Choices, 15 February 2013.

¹³ Rand Paul, "My 13 hours were just the beginning", The Washington Post: Outlook, 10 March 2013. B1.

adjusting the US's stance in world affairs in tune with the country's relatively diminishing economic strength. A new global economic order is taking shape. In it, new centres of economic strength are projecting their weight. Most of these are in Asia. It is not only China that demands attention. Several other Asian economies such as India, Indonesia, and Turkey also want to be noticed. They desire a say in the way the global economy is managed.

However, not all American analysts accept President Obama's position that the US will lose its primacy in world economic affairs. He articulated this view in his speech in Tokyo in November 2009 during the first of his four visits to Asia in his first term. But criticism at home had him pull back. The American political right in particular was not willing to accept that the US was no longer the sole occupant at the top of the global economic pyramid. In a recent article in *Foreign Affairs*, Roger Altman who had served as Deputy Secretary of Treasury in President Bill Clinton's first administration, suggested that the "US economy will emerge from its trauma stronger and widely restructured". He argued that there are indications that that's already happening as the pressures felt during the Great Recession have begun to lose their strength. "It will take two to three years for these to subside, but after that, US economic growth should outperform expectations".¹⁴

But some other policy thinkers are less sanguine. In the same *Foreign Affairs* issue, Fareed Zakaria took the opposite position, noticing, in several trends, a significant decline in the US's relative economic strength. For instance the time taken after each recession to return to the levels of employment reached before the downturn is becoming longer. "After the recession of the early-1990s, the employment rate returned to the pre-recession level 15 months after GDP did. In the early parts of the next decade, it took 39 months. And in the current recovery, it appears that the employment rate will return to its pre-recession level in 60 months – five years – after GDP did. The same trends that helped spur growth in the past are now driving a new normal, with jobless growth and declining wages".¹⁵ This slackening in the rate of adjustment has produced a dysfunctional political system that is standing in the way of the US's ability to make the needed structural changes.

If America will not always be able to get its way in economic matters as it often did for more than half a century after the conclusion of the Second World War, it will have to work with other important global economic agents. For Mr Obama, at the beginning of his second term, trade would be the instrument for cooperation. He has already taken some initiatives in this area such as the announcement in 2012 of an 11-nation Trans-Pacific Partnership Initiative and, in early 2013, of a Trans-Atlantic Trade and Investment Partnership with the European Union that would create the world's largest economic zone. The United States also has joined 47 other countries in discussions to liberalise the services sector. Negotiations have also begun to expand an existing agreement on trade in technology goods. These are some of the attempts to counter what is sometimes called "innovation mercantilism" – policies that force the use of locally written software and requirements that data be stored on local servers.

¹⁴ Roger Altman, "The fall and the rise of the West", *Foreign Affairs*, January/February 2013, p. 8.

¹⁵ Fareed Zakaria, "Can America be fixed?", *Foreign Affairs*, January/February 2013, p. 25.

These policies are favoured by countries that have the capacity to do research in new technologies.

But all these initiatives are at this stage only ideas; their translation into working arrangements will need a great deal of patient work. The fact that the Obama administration has been so focused on trade is, at first sight, surprising. As a senator he had voted against Central American Free Trade Agreement and as a candidate in 2008 had been critical of the North American Free Trade Arrangement. The change in thinking reflects a better understanding of the structural adjustments that are occurring in the US economy. Some game-changing innovations in the country's laboratories and factories will transform the way industrial processes work. According to one interpretation "it is a wager, in a sense, on robots over running shoes as the administration tries to create trading rules that play to US strengths in innovation, technology, and high-end services but could mean more competition for basic manufacturing". The large regional pacts the administration would like to promote will take the place of the multilateral Doha round of negotiations which, launched a dozen years ago, have stalled. There is also "fear that trade restrictions incubated in places such as China and India could become the global norm unless countered".¹⁶

At the beginning of President Obama's second term, economics will be the focus of attention. And in economics, dialogue and multi-country negotiations will be favoured over the use of force or intimidation. In this way, the global economic reordering that is underway may be less contentious than was the case on previous occasions. The United States, for instance, overtook Europe after two world wars. This time around, other economies may be accommodated in a more benign way.

While the Middle East will not let Mr Obama go easily and Secretary Kerry with a rich background in that area of the world will attempt to convince the president to stay engaged, the president will, no doubt, press ahead with his approach towards Asia. This attention to the continent has a name – "pivot to Asia" – but its content is still being worked out four years after Mr Obama declared that given the place of his birth (Hawaii) and years of childhood experience (in Indonesia), he will be America's "Pacific president". During his first visit to the Asian continent, the American president sought partnership with China. He chose Tokyo as the site from where to proclaim that change in Washington's position. But such a sharp swing in his country's choice of partners in the global arena proved difficult to execute.

The American political right was upset and the Chinese were not particularly forthcoming. If Beijing was not willing to step forward to provide substance to the implied G-2 arrangement, preferring to build its military strength, Mr Obama began to look for other partners in his Asian enterprise. He cultivated India during his second Asian visit in November 2010 going to the extent of suggesting that New Delhi deserved a permanent seat in the United Nations Security Council. He famously proclaimed in a speech in New Delhi that "India is not a rising power; it has already risen". That search for alternatives continued as Beijing went on

¹⁶ Howard Schneider, "Trade: Evolving Obama pushes hard for global pacts", The Washington Post, 9 March 2013, pp. A1 and A2.

putting more resources into increasing its military might. China also became more assertive in pushing its claims to some of the disputed islands in East and South China Seas. These reactions persuaded the first Obama administration to undertake a correction in its Asian course. According to Jim Hoagland, a veteran columnist, Hillary Clinton's diplomacy during Mr Obama's first term, "successfully converted anxiety of China's neighbours over the country's assertiveness into a common front".¹⁷

At the beginning of his second term, President Obama also shifted his stance towards Japan. During Prime Minister Shinzo Abe's February visit to the White House, the president showed exceptional warmth towards the visiting dignitary. Mr Obama emphasised the importance of reviving and maintaining the old ties between Tokyo and Washington while encouraging Mr Abe to tone down his penchant for nationalist rhetoric. However, it is in the area of economics that the American president will seek to gain his country's influence in the Asian continent. And in this endeavour, he will use a variety of trade arrangements to develop new economic links with major Asian economies.

A profound change has begun to take place in the structure of the industrial sector in the United States as an economic reaction to the practice of outsourcing to cheap-wage countries in Asia. For a couple of decades China had become the supplier of several types of consumer goods to the markets in the United States. South Korea had been remarkably successful in building its automobile and electronic industries, focusing also on the American markets. Using high-speed communication technologies, India had become an important supplier of many services to the economies in the West in particular the United States. While this repositioning of industrial processes was occurring, several universities in the US began to invest in high-technology manufacturing processes. There were major developments in the use of robots in manufacturing processes, the use of nanotechnology in such diverse activities as electronics and health sciences, and the deployment of genetic-engineering for developing new drugs and their delivery into the human body. These were major developments that were redefining production processes. These were changing the economics of various production processes. With robots being able to perform the tasks that were carried out by relatively low-skill labour, there was no longer much advantage in locating manufacturing in cheap-labour countries. Robots were successfully substituting labour. At the same time, these machines needed to be maintained and improved, and that could be done better by experts closer to the places where the robots worked. Some of the large manufacturing firms began to pull back their operations from Asia to the American mainland. There were also now new opportunities for the United States to exploit. Trade arrangements were to be used to advance into Asia with a number of new products and new product lines.

¹⁷ Jim Hoagland

Conclusion

The new Obama administration is likely to follow an approach in world affairs that will reflect the thinking of the president on several matters. No longer constrained by the need to pacify the ever-present nationalist tendencies in his country, the president is likely to accept the notion that America is not entitled to force its way in the world. It will need to accommodate the interests of other large powers, in particular those that are emerging in the economic field. The second Obama administration is likely to work closely with some of the new powers such as China, India, Indonesia, South Africa, and Turkey for world peace. There will be real reluctance to use force to achieve America's strategic interests. "Boots on the ground" approach to world affairs will be avoided. The drone will remain the weapon of choice for limited-impact warfare. Washington will pick out small groups of people as the targets for drone attacks after being satisfied that they pose real threats to its security. If force is to be used, it will be deployed as the last resort and in the context of multilateral agreements. An effort is likely to be made to find new – or develop those already in place – institutional arrangements to manage world affairs. In Mr Obama's second term the United States will sometimes "lead from behind". It will have a large voice but it will be raised as part of a chorus. Other players on the international stage will be allowed to sing as well.

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