



Asia POLICY
Society INSTITUTE

BRIEFING BOOK

Advice for the 45th U.S. President: Opinions from Across the Pacific

Edited by Lindsey W. Ford



Advice for the 45th U.S. President: Opinions from Across the Pacific

Edited by
LINDSEY W. FORD

DECEMBER 2016

AN ASIA SOCIETY POLICY INSTITUTE BRIEFING BOOK



With a solution-oriented mandate, the Asia Society Policy Institute tackles major policy challenges confronting the Asia-Pacific in security, prosperity, sustainability, and the development of common norms and values for the region. The Asia Society Policy Institute is a nonpartisan, nonprofit think/do tank designed to bring forth policy ideas that incorporate the best thinking from top experts in Asia and to work with policy makers to integrate these ideas and put them into practice.

ABOUT THE EDITOR

Lindsey W. Ford is Director of Asian Security and Richard Holbrooke Fellow at the Asia Society Policy Institute. Previously, she served as the Senior Adviser to the Assistant Secretary of Defense for Asian and Pacific Security Affairs at the U.S. Department of Defense. She also served as Secretary of Defense Chuck Hagel's Sherpa for the 2014 U.S.-ASEAN Defense Forum, where she oversaw the first meeting of the 10 ASEAN Defense Ministers in the United States. Ford previously worked as a researcher at the Center for a New American Security, and as a consultant to organizations including the United Nations Development Fund for Women and the Congressional Research Service. She completed Master of Public Affairs and Master of Arts in Asian Studies degrees at the Lyndon B. Johnson School of Public Affairs at the University of Texas.

The Asia Society Policy Institute and the Asia Society take no institutional position on matters of public policy and other issues addressed in the reports and publications they sponsor. All statements of fact and expressions of opinion contained in this report are the sole responsibility of its authors and may not reflect the views of the organization, and its board, staff, and supporters.

© 2016 The Asia Society. All rights reserved.

The Asia Society Policy Institute

Web: AsiaSociety.org/Policy-Institute

Twitter: [@AsiaPolicy](https://twitter.com/AsiaPolicy)

Facebook: facebook.com/AsiaPolicy

Email: policyinstitute@asiasociety.org

New York

725 Park Avenue
New York, NY 10021
+1 212 288 6400

Washington, D.C.

1779 Massachusetts Avenue NW
Suite 810
Washington, D.C. 20036
+1 202 833 2742

ABOUT THE AUTHORS (In order of appearance in report)

SHIVSHANKAR MENON is currently Chairman of the Advisory Board of the Institute of Chinese Studies in New Delhi, a Distinguished Fellow at the Asia Society Policy Institute and the Brookings Institution, and a member of the Board of Trustees of the International Crisis Group. He served as National Security Adviser to the Prime Minister of India from January 2010 to May 2014, and as Foreign Secretary of India from October 2006 to August 2009. He has also served as Ambassador and High Commissioner of India to Israel, Sri Lanka, China, and Pakistan. Menon studied at the Scindia School, Gwalior and at St. Stephens College, Delhi University. His book, *Choices: Inside the Making of Indian Foreign Policy*, was released in 2016.

YORIKO KAWAGUCHI is a professor at the Meiji Institute for Global Affairs at Meiji University. She is a former Minister of the Environment (2000–2002) and Minister of Foreign Affairs (2002–2004) for Japan. She has also served as a member of the House of Councilors for Japan's Liberal Democratic Party, Co-chair of the International Commission on Nuclear Non-proliferation and Disarmament, and a Special Adviser to Prime Minister Junichiro Koizumi. She has worked as an economist for the World Bank and as Managing Director of Suntory. She currently serves as a Distinguished Fellow at the Asia Society Policy Institute. Kawaguchi received her B.A. in international relations from the University of Tokyo and an M. Phil degree in economics from Yale University.

WANG JISI is President of the Institute of International and Strategic Studies at Peking University. He is also a Distinguished Fellow at the Asia Society Policy Institute, and Honorary President of the Chinese Association for American Studies. He has been a member of the Foreign Policy Advisory Committee of China's Foreign Ministry since 2008. From 2005 to 2013, he served as Dean of the School of International Studies at Peking University. He was concurrently Director of the Institute of International Strategic Studies of the Central Party School of the Communist Party of China from 2001 to 2009. Wang has served as Director of the Institute of American Studies at the Chinese Academy of Social Sciences, and as a visiting professor at several universities. He obtained a M.A. degree from Peking University.

CHOI SEOKYOUNG is a visiting professor at the Graduate School of International Studies at Seoul National University and Senior Adviser at the Lee & Ko law firm. He is a former Ambassador of Korea to the Office of the United Nations and other international organizations in Geneva. There he served as Chairman of the Executive Committee of the UN High Commissioner for Refugees and Chairman of the Council for Trade in Services of the World Trade Organization. Previously, he served as Deputy Minister for Trade in the Ministry of Foreign Affairs, supervising the negotiation and ratification process for the Korea-EU and the Korea-U.S. free trade agreements. He has also served as Korea's Ambassador for the Doha Development Agenda and as Executive Director of the APEC Secretariat. He received his B.A. from Seoul National University and his M.B.A. from the KDI School of Public Policy and Management.

CHAN HENG CHEE is Chairwoman of the Lee Kuan Yew Centre for Innovative Cities in the Singapore University of Technology and Design, and is also Ambassador-at-Large with the Singapore Foreign Ministry. She is Chairwoman of Singapore's National Arts Council, a member of the Presidential Council for Minority Rights, a member of the Constitutional Commission 2016, and Deputy Chairwoman of the Social Science Research Council. During her long diplomatic career, Chan served as Singapore's Ambassador to the United States from 1996 to 2012 and Singapore's Permanent Representative to the United Nations from 1989 to 1991. She was concurrently High Commissioner to Canada and Ambassador to Mexico. Chan holds a Bachelor's degree from the National University of Singapore, an M.A. from Cornell University, and a Ph.D. from the University of Singapore. She is a Trustee of the Asia Society.

PETER JENNINGS is the Executive Director of the Australian Strategic Policy Institute. Previously, he was Director of Programs at the Institute and taught postgraduate studies on terrorism at the Australian Defense Force Academy. He has held several senior defense and national security positions in the Australian Public Service, including Deputy Secretary for Strategy in the Australian Department of Defense, Chief of Staff to the Minister for Defense, and Senior Adviser for Strategic Policy to the Prime Minister. He received an M.S. from the London Business School, an M.A. in international relations from the Australian National University, and a B.A. in history from the University of Tasmania. He was also a Fulbright fellow at the Massachusetts Institute of Technology.

KEN KOYAMA is Chief Economist and Managing Director at the Institute for Energy Economics, Japan (IEEJ). He has also been a professor at the Graduate School of Public Policy at the University of Tokyo since 2010. Since joining IEEJ in 1986, he has held various positions focused on energy security, the geopolitics of energy, and the global energy market, with an emphasis on the Asia-Pacific region. Koyama has served as a committee member on a number of energy policy related councils and advisory committees within the Japanese government. He holds B.A. and M.A. degrees in economics from Waseda University, Tokyo and a Ph.D. from the University of Dundee, Scotland.

RAVI AGRAWAL is CNN's India Bureau Chief, responsible for the network's news coverage of India and its neighboring countries. Prior to his current role, Agrawal worked across CNN's UK and U.S. offices for eight years. In New York, Agrawal was the senior producer of CNN's flagship program on world affairs, "Fareed Zakaria GPS," which won its first Peabody Award and garnered three Emmy nominations during Agrawal's tenure. Agrawal was named a Young Global Shaper by the World Economic Forum in 2013 and an Asia 21 Young Leader by the Asia Society in 2016. He has a B.A. degree from Harvard University.

MAGDALENA J. SEOL is the Founder and Managing Director of GDA, a strategy advisory group based in Seoul dedicated to global development and private sector innovation. Prior to this, she served as an Assistant Secretary to the President of the Republic of Korea, managing the globalization arm of key agendas related to climate change and low-carbon economic development. She was awarded the Presidential Citation honor for her excellence in service. Ms. Seol also led changes in both the business and social sectors during her career as a management strategy consultant. She received her B.A. from Seoul National University, and did her graduate studies at Oxford University and the Harvard Kennedy School.

CONTENTS

Foreword	8
KEVIN RUDD	
Introduction	10
LINDSEY W. FORD	
Adjusting to the Rise of New Powers: An Opinion from India	16
SHIVSHANKAR MENON	
U.S. Leadership in Northeast Asia: An Opinion from Japan	21
YORIKO KAWAGUCHI	
An Inquiry into U.S.-China Relations: An Opinion from China	24
WANG JISI	
Building Asia's Economic Architecture: An Opinion from the Republic of Korea	28
CHOI SEOKYOUNG	
Southeast Asia at an Inflection Point: An Opinion from ASEAN	32
CHAN HENG CHEE	
Strengthening America's Troubled Asian Alliances: An Opinion from Australia	38
PETER JENNINGS	
Regional Energy Cooperation and the Role of the United States: An Opinion from Japan	42
KEN KOYAMA	
Opinions from the Rising Generation	46
RAVI AGRAWAL, MAGDALENA J. SEOL	

FOREWORD

ON JANUARY 20, 2017, AMERICA'S FIRST "PACIFIC PRESIDENT" WILL DEPART OFFICE.

Many Asian observers fear that America's regional commitments will depart along with him.

The election of Donald Trump raises more questions than answers for Asian leaders eager to understand the nature of U.S. engagement in the region in the future. There has been a remarkable history of consistency and bipartisanship in the U.S. approach to Asia over many decades. But this election has upended many assumptions about U.S. policy in ways that leave foreign policy experts, both in the United States and abroad, unsure of what to expect next.

President-elect Trump has made clear that few things will be "business as usual" for the future. Several of his proposals, including withdrawing the United States from the Trans-Pacific Partnership (TPP) agreement, and annulling U.S. ratification of the Paris Climate Agreement would reverberate across the region and mark a significant about-face in U.S. policy. Other proposals, less directly related to Asia, such as suspending immigration from certain Muslim nations, would also have implications for Asian countries with significant Muslim majorities or minorities.

Beyond the immediate priorities President-elect Trump has laid out, there are questions about how a Trump administration will grapple with Asia's increasingly complex geostrategic environment. In this task, he will face a daunting set of problems. The Democratic People's Republic of Korea's nuclear program appears to be advancing at an alarming rate. America's long-standing alliances in the Philippines and Thailand are on rocky footing. Maritime disputes in areas such as the South and East China Seas are likely to continue. Furthermore, rapid technological and military modernization has greatly increased the potential for an Asian security crisis.

Amid this uncertainty, what seems likely is that Donald Trump will take a more circumspect view of America's national interests, not just in Asia, but also around the world. He has made it clear that the United States will not solve every problem, fill every void, or rush to answer every crisis. And when it does, it will expect regional partners to carry a larger share of the burden.

So what does this mean for the way ahead? What does it mean for the future of the U.S.-China relationship? What about India? What about Japan? And what of the future of ASEAN? What are the expectations of the next U.S. administration from its Asian allies on the future of U.S. regional leadership? Furthermore, where should the incoming administration focus its time and resources?

One way to answer these questions is to ask our regional partners. Drawing on our global network of advisers and colleagues in the Asia-Pacific region, the Asia Society Policy Institute decided to do exactly that. Over the past several months we brought together this series of short memos for the next U.S. administration, on how the United States is now seen by the region. Our objective was simple: to help the next president better understand Asian priorities and the associated initiatives that would resonate in the region.

We are honored that colleagues such as Chan Heng Chee, Choi Seokyoung, Peter Jennings, Yoriko Kawaguchi, Ken Koyama, Shivshankar Menon, and Wang Jisi all agreed to participate. And we were also

delighted to have some of our Asia 21 fellows—the Asia Society’s program for rising Asian leaders—provide perspectives on the priorities of Asia’s younger generation. Many of these individuals have dedicated years to improving ties between the United States and Asia. They understand full well the challenges of crafting thoughtful policy advice in this complex region of the world.

We asked numerous questions of our colleagues: What aspects of existing U.S. policy do partners view as most successful? Where do they think the United States needs to take a new approach? What policy themes resonate with Asian publics or, alternatively, could alienate regional partners? What are the shifting domestic dynamics in Asia that U.S. policymakers will need to take into account? And most critically, what are the policy concerns that will be most important to Asian governments in 2017 and beyond?

As expected, the answers we received were insightful, practical, and thought-provoking. They are also varied. We hope they will be of value for President-elect Trump and his administration.

The Honorable Kevin Rudd

President, Asia Society Policy Institute
26th Prime Minister of Australia

Introduction

LINDSEY W. FORD



IT IS RIGHT FOR ANY COUNTRY TO ASSESS ITS FOREIGN POLICY THROUGH THE LENS OF ITS OWN NATIONAL INTERESTS.

This is as true for the United States as it is for any country. But foreign policy is always a two-way street that also involves a clear understanding of the national interests of others. With this in mind, the Asia Society Policy Institute set out over the past several months to better understand what Asian partners would like to see from the incoming U.S. administration, asking experts in the region for their views. In reading the insightful memos received, one common theme resonates throughout: U.S. credibility is on the line in Asia as never before. When President-elect Trump enters office, he will find that Asian partners welcome U.S. leadership, but they question its staying power. Most supported the Obama administration's strategic "rebalance," but they believe that in many ways the United States over-promised and under-delivered. "Distraction" is a frequently cited frustra-

The first thing that President-elect Trump could do to deliver for Asian partners is simple: *just show up.*

Multiple authors pointed to a widespread sense that the U.S. preoccupation with the Middle East and its own domestic challenges have left commitments to Asian partners unfulfilled.

The result of this frustration, as Singapore's former Ambassador to the United States Chan Heng Chee notes,

is that many Asians are hedging their bets. Anticipating a looming U.S. retrenchment from the region, they increasingly view U.S. actions—from the Trans-Pacific Partnership (TPP), to the Democratic People's Republic of Korea (DPRK), to the South China Sea—as a test of U.S. regional commitment and credibility. In this environment, the incoming administration should realize it is being closely scrutinized, particularly at the outset of its term; even tactical policy issues may assume a surprising degree of strategic import. More importantly, the administration should remember Asia will judge the United States by its actions, and not just its words. U.S. partners are keenly aware that the rebalance has not yet delivered a comprehensive reorientation of U.S. resources, as was promised. So going forward, messages of reassurance will be important for jittery Asian partners, but they will not be sufficient. The real question in many minds is: can the United States deliver?

The first thing that President-elect Trump could do to deliver for Asian partners is simple: *just show up.* Chan Heng Chee reminds us in her memo that Asian nations will be watching to see where President-elect Trump and his cabinet members make their first overseas trips. She notes that Secretary Clinton's decision to make Asia her first overseas destination in 2009 (the first U.S. secretary of state since Dean Rusk to do so) sent a powerful signal that the United States intended to shift toward a more Pacific orientation. And President Obama's effort to attend leaders-level meetings was viewed by Asian partners as an important symbol of U.S. commitment to the region.

It can be tempting to think such simple actions do not matter, especially when showing up requires long flights to attend meetings often lacking in concrete deliverables. But Asian partners place a premium on face time and the often tedious process of consensus-building. To step back from the Obama administration's pace will be quickly viewed as an abandonment of the U.S. leadership role.

Shivshankar Menon, India's former national security adviser, suggests that Asian leaders most want to see the United States deliver two things: (1) a sustained commitment to underwriting regional security, and (2) an economy that remains open to friends and allies. Given growing concerns that a more nationalist United States may walk away from its long-term relationships around the world, regional leaders will be looking to the Trump administration to generate positive momentum on both fronts.

On the security side, many Asian nations will be watching in particular to see what moves the next administration makes with respect to its alliance relationships. Peter Jennings, Australia's former deputy secretary of defense, argues that the Trump administration faces a serious challenge ahead if it wants to shore up U.S. treaty alliances. Mr. Trump's early meeting with Japan's Prime Minister Abe sent a reassuring signal. But this alone will not assuage Asian concerns that the United States may shift toward a neo-isolationist strategy that leaves U.S. allies twisting in the wind. At a moment when the United States and the region face threats ranging from the DPRK to cyber intrusions to devastating tsunamis, the United States can ill-afford such an approach. A Pacific security crisis would not only impact Asian nations; it could have a crippling effect on the U.S. and global economies. And so, as Jennings suggests, successfully responding to Asian security challenges will require the U.S. to think much more about operating *with* its allies rather than simply operating *from* bases on their soil.

Of course, Jennings also acknowledges that enhancing alliance cooperation can require difficult conversations from time to time about each party's respective contributions to the alliance. In fact, Jennings argues, "alliances will work better if all parties lift their expectations of the resources and defense cooperation needed." This includes encouraging burgeoning cooperation and greater interoperability *between* Asian allies, such as Japan and the Republic of Korea. However, as the piece by Yoriko Kawaguchi, Japan's former minister of foreign affairs, implies, the new administration is likely to find a more receptive audience if difficult conversations are preceded by a clear and robust statement of unwavering U.S. commitment to leadership in the region.

Most Asian countries appreciate the U.S. security role, and they value the part it has played in facilitating decades of peace and prosperity.

But as both Chan Heng Chee and Shivshankar Menon write, many Asian nations also worry about the potential for growing strategic rivalry between the United States and regional powers. Thus, as a new president takes office, Asian leaders will be particularly concerned about the approach the U.S. takes in its relationships with Beijing, New Delhi, and Moscow. It is important to remember the strength and tenor of these relationships are not simply bilateral concerns; they will have reverberations across the region and the globe. Given the growing winds of nationalism in both Asia and the United States, Wang Jisi, President of the Institute of International and Strategic Studies at Peking University, and Shivshankar Menon assert that domestic constraints will loom larger than ever for President-elect Trump, China's President Xi, India's Prime Minister Modi, and Russia's President Putin. Navigating this reality will not be easy, but as Wang warns us, it is important for leaders to chart a smooth path through the "new normal" they are facing.

To do so, Wang suggests U.S. and Chinese leaders in particular address a fundamental challenge in their relationship: deep strategic mistrust. As he notes, Chinese elites routinely express deep dissatisfaction with U.S. actions they perceive as aiming to "contain" China's growing place in the world. The United States, on the other hand, has often countered that in both security and economic realms, China is increasingly assertive, nationalist, and mercantilist. Managing these frictions will be no small task for the incoming Trump administration and will require, as Wang suggests, proactive efforts by both countries to engage in frequent conversations clarifying their respective views, priorities, and, where necessary, redlines. In some cases, he says, this will mean respectfully agreeing to disagree. But, he argues, the new

As a new president takes office, Asian leaders will be particularly concerned about the approach the U.S. takes in its relationships with Beijing, New Delhi, and Moscow.

U.S. administration would be wise to avoid focusing only on the friction points in the relationship—of which there are many—and continue to seek out opportunities for pragmatic cooperation. Wang suggests that early meetings between the Trump team and Chinese counterparts could help identify these opportunities and map out priorities for 2017 that would help both administrations start off on the right foot.

With India, the bilateral picture is somewhat brighter. As Shivshankar Menon observes, “for New Delhi, relations with the United States are better than they have ever been.” He argues the areas of the bilateral relationship with the most unrealized potential are economic—issues such as market access, intellectual property rights, and energy cooperation. Much like the U.S.-China relationship, however, both countries will face domestic constraints that may generate friction on these issues. The priority, Menon says, is therefore for President-elect Trump and Prime Minister Modi to “work out a new economic modus vivendi,” one that achieves positive results for two countries at very different stages of economic development. This will not be easy, but both Prime Minister Modi and President-elect Trump share a desire to cut through bureaucratic red tape and spur economic growth. If they can focus on these

goals, while keeping domestic pressures in check, Menon suggests they should be able to build a positive trajectory for years to come.

One of the most promising areas of cooperation in U.S. relations with both India and China for the past several years has been energy security and climate change.

One of the most promising areas of cooperation in U.S. relations with both India and China for the past several years has been energy security and climate change. Multiple authors pointed to

these two issues as critical concerns, and top domestic priorities, for Asian nations. The emphasis Asian leaders place on these challenges was made abundantly clear during the recent negotiations on the Paris Climate Agreement, an agreement in which both Prime Minister Modi and President Xi Jinping invested considerable personal political capital.

While the incoming administration has expressed its determination to reverse some of the Obama administration’s climate policies, Ken Koyama, managing director of the Japan Institute for Energy Economics, points to a number of ways the new team could leverage U.S. private sector knowledge to still make progress on climate change and energy policies. Recognizing the increase in U.S. domestic energy production, Koyama argues that increased energy exports, both oil and liquified natural gas, to Asia would be a win-win for the United States as well as energy-hungry Asian partners. Additionally, he suggests that U.S. companies could help Asian nations diversify their energy markets through access to green technologies, nuclear energy expertise, and shared research initiatives on clean-coal technology. Ravi Agrawal and Magdalena Seol, both Asia 21 Young Leaders of the Asia Society, argue that cooperation on clean energy technologies matters in particular to Asia’s younger generations. As Agrawal notes, “Technological help to create cheaper and cleaner energy would go a long way toward further endearing the United States to the Indian youth.”

Beyond China and India, the other significant relationship the incoming administration will have to navigate is the U.S. relationship with the Association of Southeast Asian Nations (ASEAN). The remarkable deepening of U.S. relations in Southeast Asia, the so-called “rebalance within the rebalance,” has been one of the highlights of U.S. policy in Asia for the past several years. But as Chan Heng Chee suggests, sustaining this progress will be challenging. The incoming administration will inherit higher expectations, and a more divided ASEAN, than the United States faced in 2008. At the same time,

Chan notes both the United States and many ASEAN leaders are likely to shift toward a more domestic orientation, which could make finding foreign policy achievements more challenging than ever. One Southeast Asian priority both Chan and Jennings point to as particularly important for President-elect Trump is to repair the tattered U.S.-Philippine alliance, a relationship that has taken a decidedly negative turn in the past year.

Of course, the ultimate deliverable Asian nations are seeking from the United States, which was evident throughout these memos, is sustained economic engagement. The biggest lightning rod issue, and one that consumed the U.S. presidential campaign, is of course, trade. As many authors made clear, although global free trade has become increasingly unpopular in the United States and Europe, Asian leaders view it as vital to their economic vitality. And as Choi Seokyoung, the Republic of Korea's former ambassador to the World Trade Organization (WTO), reminds us, Asians are perplexed that a nation whose existence is so deeply rooted in the principle of open markets is now turning away from free trade.

Multiple authors noted pointedly that not ratifying the TPP agreement would come with a great cost to U.S. credibility in the region. Most Asian leaders recognize that with an incoming administration that campaigned so openly on the promise of shelving the TPP, there is little chance the United States will proceed with the deal for the foreseeable future. But as multiple authors noted, the administration should also be realistic in recognizing that this opportunity, and U.S. credibility, will not be easily regained. In the absence of U.S. economic leadership, Asian nations will pursue other trade agreements, including accelerating their work on the Regional Comprehensive Economic Partnership negotiations. These deals may well disadvantage U.S. companies and workers.

Asians are perplexed that a nation whose existence is so deeply rooted in the principle of open markets is now turning away from free trade.

In spite of these troubling signs on the trade front, the authors propose there is still room for the United States to carve out a positive economic agenda in the region. Choi Seokyoung says that if indeed plurilateral trade agreements are off the table for some time, the incoming administration should consider pursuing high-standard bilateral trade and investment agreements in the interim, an approach President-elect Trump voiced an interest in pursuing during the campaign. In addition, Choi urges the United States not to cede its leadership role in setting fair rules and standards in the international trading system. President-elect Trump has emphasized his desire to get a "fair deal" for U.S. companies and workers, and Choi offers that continued U.S. leadership in organizations such as the WTO could be an important part of achieving this goal. Wang Jisi suggests another potential area that would play to the strengths of a Trump administration would be a focus on Asian infrastructure development. He notes that Chinese leaders would welcome in particular support for China's "One Belt, One Road" initiative. On the issue of infrastructure, U.S. and Chinese leaders could likely find common cause. President-elect Trump has made clear this is one of his top priorities for the United States; it is also a priority for Xi Jinping and many other Asian leaders across the Eurasian continent. Indeed, working with Asian partners to increase cooperation on infrastructure initiatives could be a signature achievement for the new administration.

Beyond the major geostrategic and geoeconomic decisions the incoming administration will have to navigate in Asia, the Asia 21 Young Leaders remind us that the Trump administration will also inherit

a simple and compelling responsibility: carrying forward the U.S. reputation with Asian youth. And here Ravi Agrawal, CNN's India Bureau Chief, makes an eloquent case for why U.S. leadership matters in Asia:

There is a reason why younger Indians look to America with hope—I think it's because they're looking for global leadership on the issues that don't always make the front pages of their newspapers or their parliamentary debates—issues like climate change, clean energy, cyber security, and fighting disease and poverty. But if Washington can lead on these issues globally, maybe in the future you will find that the old will like America just as much as the idealistic young.

This will be no easy task for a new U.S. administration. But it is nonetheless a worthwhile endeavour. America has always been a Pacific nation; its ties and relationships in the region run deep. And so sustaining U.S. engagement in Asia should not just be about geostrategic calculations. As Ravi reminds us, it is also about securing a brighter future for citizens and young people on both sides of the Pacific. And that is a goal well worth fighting for.

Adjusting to the Rise of New Powers: An Opinion from India

SHIVSHANKAR MENON

Shivshankar Menon is the Chairman of the Advisory Board of the Institute of Chinese Studies in New Delhi and was formerly India's National Security Adviser.



THE TWO THINGS THAT LEADERS IN THE ASIA-PACIFIC REGION WISH TO HEAR AND SEE FROM PRESIDENT-ELECT TRUMP are an assurance that the United States will continue to provide and underwrite security in the Asia-Pacific and that it will remain a benign hegemon, opening its economy to friends and allies. Without this confidence, Asian leaders could turn to other expedients, and to China, for the prosperity and security they seek.

The greatest strategic challenge confronting leaders in the region is whether the United States and China will be able to resolve their strategic competition and arrive at a new equilibrium peacefully. No Asia-Pacific country wants to have to choose between the United States and China. During the past two centuries, the United States has had a proven record in the region as a benign hegemon. China does not. But over the past decade, U.S. presence and attention have been sporadic, and since 2008, U.S. willingness to open its markets and lead the economies of the region has been in question.

Two steps that would rapidly change this impression and provide reassurance to America's Asia-Pacific neighbors would be:

- **For the United States to take its “pivot” further by suggesting a set of practical security measures for the region—such as confidence-building mechanisms; crisis management institutions; or dialogue mechanisms on maritime security, cyber security, and military doctrines and deployments.** This could be done through the East Asia Summit (EAS), jointly with all the countries of the Asia-Pacific that are willing to participate.
- **To open up the proposed Trans-Pacific Partnership (TPP) to other states and to renegotiation to make it a more inclusive trading arrangement rather than a smaller regional alternative with different standards from the globally agreed-upon ones.** Through this step, the United States could help make the TPP an arrangement that trades *up* to a globalized economy rather than *down* to U.S. special interests.

Why are these two steps the most urgent? Because, for the first time in several generations, there is a real possibility that issues of peace and security could threaten the phenomenal economic achievements of the Asia-Pacific region.

For the first time in several generations, issues of peace and security could threaten the phenomenal economic achievements of the Asia-Pacific region.

Today, we have seen the rekindling of maritime and territorial disputes in the South China Sea, the East China Sea, and other areas; we see increasing military buildups and arms races; we see the rise of ultra-nationalism fueled by economic and political uncertainty; and we

see an absence of effective institutions or habits of cooperation that have enabled other regions to cope with increasing geopolitical uncertainty. The global commons in outer space, cyber space, and the high seas are increasingly contested. Rapid shifts in the balance of power, resulting from the simultaneous rise of several powers, led by China, have created a crowded geopolitical environment. The Democratic Republic of Korea's nuclear weapons program threatens to have consequences well beyond the Korean peninsula. Further complicating these challenges is the overlay of Sino-U.S. strategic contention, which makes this evolving situation of increasing unease and insecurity more difficult to manage.

The question now facing the United States and others is how to ameliorate this insecurity. The existing security architecture based on the U.S. hub-and-spoke model can no longer ensure security, as rising powers seek to adjust the order to accommodate their own expanding interests. It therefore behooves the United States, as the predominant power that has underwritten security in the region for more than four decades, to take the initiative to address these issues by building a new workable architecture—on both the economic and security fronts. The suggested initiatives presented earlier would be important steps toward this goal. Given the new distribution of power in the region, the presence and participation of all the other major powers in this crowded area will be essential to the architecture's success. Hence the suggestion that any new dialogues or agreements be inclusive, and open to all the countries of the region that wish to participate.

India and China are among the greatest beneficiaries of the open, liberal trading and investment environment that flourished before the crisis of 2008.

Importantly, any new initiatives the United States pursues cannot be based on freezing the status quo, or “strategic stability,” for that is precisely what the rising powers wish to change. Fortunately, none of them has an alternative order to propose. India and China are among the greatest beneficiaries of the open, liberal trading and investment environment that flourished before the crisis of 2008. They now see the TPP and the U.S. pivot as changing the rules of play of that order, and potentially fragmenting the globalized market that benefits them. Given their interest in adjusting and preserving the open order, a genuine effort to create an inclusive order that gives them a greater say and addresses the major security challenges would certainly improve the security climate in the region, serve the interests of the major global trading powers, and progress common goals.

Such initiatives will not result in a new order immediately; but by taking steps to address the real issues, they would certainly ameliorate the present climate of uncertainty. I would therefore suggest that any new security dialogues address military doctrines and postures, cyber security, and maritime security, all of which are crucial to the world's major trading powers that are parties to the EAS.

These initiatives are necessary because the Obama administration's pivot to Asia, while laudable in intent and welcomed by most countries in the region, with the exception of China and the DPRK, has been under-resourced. It has also failed to convince Asian observers in the face of the U.S. obsession with the Middle East—a region with little to contribute to U.S. interests in the global order, or to global economic growth, or to peace and security in parts of the world that are far more consequential to U.S. interests.

These proposed steps would carry conviction if President-elect Trump were to personally announce them in the first days of the administration and if his first visit abroad were to friends and allies in the Asia-Pacific region. Asia-Pacific leaders will closely watch U.S. actions in the early days of the administration, including U.S. policy on issues such as the defense budget and military deployments, the South China Sea issue, and the DPRK's nuclear program, to judge whether there is indeed a new wind in Washington. As Asians, they are unlikely to express their opinions publicly but will display their beliefs about U.S. credibility and determination in their dealings with China and each other.

The coming years will not be easy for a new Trump administration looking to preserve U.S. credibility and leadership. Mr. Trump will find a less congenial atmosphere abroad for U.S. leadership, partic-

ularly in terms of the ideas and values that have been the professed basis of U.S. policy for many years. Today, the Asia-Pacific, like Europe, is mostly led by conservative, authoritarian leaders who project strength and rely increasingly on a stronger version of nationalism for domestic legitimacy and appeal. This is true of Japan, China, India, and others. In several countries, liberal values and institutions are under attack. While this phenomenon is primarily driven by domestic factors, it has also been facilitated by the U.S. absence from the region's concerns, righted to some extent in the last few years of the Obama administration. As a result, U.S. leaders will have to contend with a new wave of ultra-nationalism and find economic and security solutions attractive to the new, more aspirational, younger generation that will determine domestic politics in the Asia-Pacific for some years to come.

There are, nonetheless, bright spots in the strategic environment. For New Delhi, relations with the United States are better than they have ever been. India-U.S. strategic congruence is playing out in joint efforts in maritime security, defense cooperation, counterterrorism, intelligence sharing, and other areas. India shares the U.S. interest in a predictable, rules-based international order, which can provide the security and assurance that India's transformation requires. This strategic parallelism will grow in Prime Minister Modi's remaining two years in office, particularly to India's east, as its relations with China become less predictable, and the Modi government builds on what it calls its "Act East" policy. India and the United States have a common interest in working together with partners such as Japan to build security and connectivity between South and Southeast Asia, and on maritime security in the waters from the Indian Ocean to the Pacific.

The picture is, however, more complicated to India's west. Doubts remain in India regarding the U.S. role in Pakistan and the cross-border terrorism that country sponsors, stability in Iran and the Gulf, and the rise of the Sunni Arab coalition and its ambivalent role vis-à-vis ISIS. For India, with its domestic sensitivities, these are as much matters of domestic policy as they are of external policy. It remains for India and the United States to build a meaningful partnership on these issues.

Ultimately, the metric by which Indians will judge U.S. economic policies is very simple—their effect on India's transformation into a modern, industrialized economy.

Looking ahead, the areas of the bilateral relationship with the most unrealized potential, which could become either sources of friction or the next great success stories, are economic—market access issues, intellectual property rights,

energy cooperation, and climate change. Here again, it is the intersection between domestic and external policy in both India and the United States that will determine success or failure. For instance, in pharmaceuticals, the United States faces a choice in its dealings with India's pharmaceutical industry—be led by special interests at home or focus on global public health interests. Logically, both India and the United States should be working together to bring affordable medicines and care to the sick at home and around the world, but it is far from clear that special interests in both countries will allow them to do so. The United States and India face similar dilemmas in many other fields, such as climate change, market access, and energy. **Today's priority therefore is for India and the United States to work out a new economic modus vivendi, which will be a challenge for two economies at very different stages of development.** Ultimately, the metric by which Indians will judge U.S. economic policies is very simple—their effect on India's transformation into a modern, industrialized economy, capable of growing at more than eight percent, creating more than eleven million new jobs a year, and maintaining social and political stability at home.

Unfortunately, Indian and U.S. domestic political cycles have not been in sync for some time, which will make managing domestic dynamics more complex. As the new U.S. administration finds its feet, India will begin its long and vigorous preparations for its own general elections in early 2019. But this has not prevented both countries from transforming their relations in the past two decades. India-U.S. relations continue to enjoy strong, bipartisan support in both countries. There is no reason to expect this to change fundamentally, unless the trajectory of domestic politics changes drastically in either country.

Overall, the glue of economic complementarity and of strategic challenges posed by the rise of China should ensure that the United States remains India's most important bilateral partner for the foreseeable future. Unless either partner decides to turn its back on the world for domestic political reasons, the India-U.S. relationship will continue to grow from strength to strength.

U.S. Leadership in Northeast Asia: An Opinion from Japan

YORIKO KAWAGUCHI

Yoriko Kawaguchi is a professor at the Meiji Institute for Global Affairs at Meiji University, and was formerly Japan's Minister of Foreign Affairs and Minister of the Environment.



THE UNITED STATES OF AMERICA IS A CRITICAL PART OF THE ASIA-PACIFIC REGION. It has been a trusted and respected ally, and a strong partner and friend to Asian countries for many years. Asians appreciated the U.S. rebalance, which reflects the U.S. recognition of its interests in Asia, and of the challenges we must all tackle together.

Over the past several decades, the United States has contributed greatly to regional peace and prosperity. On the security front, the United States has provided stability through its hub-and-spoke security arrangements. The U.S.-Japan alliance, in particular, has become the cornerstone of Asia's security and serves as a critical pillar for regional peace and stability. The strength of this alliance reflects a deep bond based on shared beliefs about democracy, rule of law, freedom of speech, and human rights. I hope the incoming administration will continue to strengthen our alliance going forward.

The U.S.-Japan alliance... has become the cornerstone of Asia's security and serves as a critical pillar for regional peace and stability.

The United States has also played a vital role in building prosperity. The post-war liberal international economic order, which the United States helped establish, has facilitated increased trade, investment, and technology flows and created strong interdependence between countries in the region. All of us—the United States, Japan, and others—have benefited greatly from this order. None of this prosperity would have been possible without the peace and stability the U.S. presence has provided.

This is why regional countries are now so concerned about potential shifts in U.S. foreign policy under a new administration. **The Trump team could help reduce uncertainty for its regional partners by imparting a message of “continuity.”** Asian partners are waiting to hear that the mutually beneficial relationships we have enjoyed with the United States for many years—relationships that are based on interdependence and respect—will continue, and hopefully, be strengthened further.

The direction the Trump administration takes in Asia will be significant because the Asia-Pacific region faces a growing array of challenges, many of which require U.S. leadership. One such challenge is China's assertive actions in the South and East China Seas, which are inconsistent with the rule of law and suggest to some observers that it may not be committed to upholding the current international order. While China's rise is an important opportunity for the world, especially in the economic domain, countries including Japan are concerned about Chinese efforts to unilaterally change the status quo through coercion or the use of force. Likewise, there are concerns that China only selectively accepts the present international governance framework, as seen in its reaction to the recent ruling by the Permanent Court of Arbitration on the Philippines' South China Sea case. The United States and the international community should oppose such actions. In Japan and elsewhere, we are looking for strong U.S. leadership in upholding the principles and standards of the international order, on which we all depend.

One such area where U.S. actions will be particularly important to Japan is the issue of the Senkaku Islands. **I urge the new Trump administration to make clear that U.S. commitments under Article 5 of the U.S.-Japan Treaty of Mutual Cooperation and Security extend to all the territories under the administration of Japan, including the Senkaku Islands. I would also urge President-elect Trump to reaffirm that the United States opposes any unilateral action that seeks to undermine Japan's administration of the Senkaku Islands.**

The Democratic People’s Republic of Korea (DPRK) is another issue that needs U.S. leadership. With its nuclear weapon and ballistic missile tests; infringement on human rights, including abduction of Japanese and other citizens; and dictatorial decision making, the DPRK is becoming an increasingly dangerous threat for all the countries in the region. Japan would like to see the United States and China work together on this issue. **My hope is that President-elect Trump will move quickly and determinedly to stop the advance of the DPRK’s nuclear and missile programs and to restart the Six-Party Talks.**

Of course, the U.S. strength also comes from its soft power, in addition to its strong economic and military power, and we will look for continued U.S. leadership here as well. The United States has an unparalleled capacity to maintain international public goods and to protect the shared principles that are the foundation of the international order.

On the economic front, this means maintaining and deepening the liberal economic order, which is of paramount importance for the continued prosperity of the Asia-Pacific region. Asia’s growing economic interdependence is not just important for Asians—it has greatly benefited the United States.

In Japan and elsewhere, we are looking for strong U.S. leadership in upholding the principles and standards of the international order, upon which we all depend.

U.S. businesses have benefited from regional investment and trade, as well as the tremendous market opportunities provided by Asian consumers. Should President-elect Trump follow through with his plans to withdraw from the Trans-Pacific Partnership, the Regional Comprehensive Economic Partnership will likely set new standards for trade in Asia. Notably, this agreement will be concluded without U.S. participation. **For prosperity to continue, the Asia-Pacific region needs to continue to pursue high standards for trade and economic cooperation, and we need U.S. partnership to achieve this goal.**

Similarly, on the climate front, I hope that President-elect Trump will reconsider his stance on the Paris Climate Agreement. The Paris Agreement is invaluable; it provides for a sustainable earth, our most treasured international public good, and creates a new model for positive U.S.-China cooperation. Both countries, as the world’s two largest emitters, need to adhere to the agreement’s provisions to protect the progress that has been made.

U.S. leadership, partnership, and friendship have been essential elements of life in the Asia-Pacific region for decades. I hope that President-elect Trump and his administration will maintain this tradition and strengthen these relationships in the years ahead.



An Inquiry into China-U.S. Relations: An Opinion from China

WANG JISI

Wang Jisi is President of the Institute of International and Strategic Studies at Peking University.

WITH THE 2016 U.S. PRESIDENTIAL ELECTION BEHIND US, CHINA AND THE UNITED STATES ARE NOW STEPPING INTO an uncertain new political cycle in their relationship. The question at hand is whether the relationship will weather this period successfully and head in a healthy and steady direction.

A fundamental and urgent issue for leaders in both Washington and Beijing is how to reduce strategic distrust. A popular view among Chinese political elites is that the United States intends to undermine Chinese Communist Party leadership by supporting dissidents; spreading U.S. ideology in Chinese society; and encouraging pro-independence or separatist tendencies in Taiwan, Hong Kong, Tibet, and Xinjiang. Another strong belief in China is that the United States is working to contain China internationally by consolidating U.S. security alliances and military arrangements, and by involving itself in territorial disputes between China and some neighboring countries. Recent U.S. actions have included increased saber-rattling activities in the South China Sea and a decision to install an anti-missile system in the Republic of Korea that is viewed as threatening to China. All these actions have been part of

what is called the U.S. “pivot” or “rebalancing” toward Asia, a strategic adjustment announced by the U.S. government in the past several years.

There are clear concerns in some quarters that China may become an assertive hegemon in Asia, at the expense of the long-standing role and influence of the United States.

On the U.S. side, many are suspicious that today’s China, with enhanced power and strong leadership, will try to reshape the current world order that has by and large served U.S. interests

and goals thus far. Some Americans are disturbed by actions China has recently taken to maintain its domestic stability and worry that these might affect U.S. economic and educational exchanges with China. Others question the intentions behind Chinese initiatives such as the “One Belt, One Road” project and the Asian Infrastructure Investment Bank. In particular, there are clear concerns in some quarters that China may become an assertive hegemon in Asia, at the expense of the long-standing role and influence of the United States.

These mutual suspicions are real and have served to intensify the strategic competition between the two countries. However, we should not let them overshadow the many common interests the two countries share.

It is important to remember the numerous positive developments in the China-U.S. relationship during the past several years. Most importantly, China and the United States have avoided direct conflict and serious crisis. The Chinese and U.S. militaries have begun to build multi-faceted and multi-layered dialogues and crisis management mechanisms. China-U.S. bilateral trade is on its way to surpass China’s trade with the European Union and U.S. trade with Canada, making each the largest trading partner to the other. Chinese investment in the United States is rising rapidly, as are economic ties between some Chinese provinces and cities and their U.S. counterparts. Cultural and educational exchanges have continued to expand, and bilateral tourism is booming and increasingly convenient for travelers from both countries. Cooperation on global governance issues such as climate change has become a highlight of the bilateral relationship. During President Xi Jinping’s visits to the United States in September 2015 and in March 2016, he emphasized many times that “the common interests shared by China and the United States are far greater than their differences.” This reflects a realistic assessment of the relationship, and not mere diplomatic rhetoric.

The challenge for Chinese and U.S. leaders going forward is that China-U.S. relations have now entered a “new normal,” one in which both competition and cooperation are growing simultaneously. Domestic issues are also playing a greater role in the relationship and will constrain policy leaders managing bilateral affairs. Recognizing this reality, it is important that we work to reshape the philosophy behind the China-U.S. relationship.

Over the years, the United States has adopted both a cooperative and a hedging approach toward China. On the one hand, it has active economic engagement with China; on the other, it expects and encourages domestic political changes and constrains China’s international space. This duality of cooperation and hedging has become a fact of life in China-U.S. relations. It is like a curse featuring a repeated escalation and de-escalation of tensions, and cooperation intertwined with confrontation, which the two countries find difficult to escape.

In reshaping the philosophy of China-U.S. coexistence, we need to go beyond this dualistic thinking and come to a more coherent definition of the relationship. As a Chinese proverb goes, “a man without distant care must have near concern.” If the United States wavers between treating China as a rival or a partner, or considers China as a partner in selected areas while treating it as a rival more generally, it will be difficult for the two countries to build trust and cooperation, even in light of the deepening bilateral relationship. In the era of the Internet, our differences are often magnified. If not properly managed, they may eventually lead our relationship in a direction that serves neither of our interests.

China and the United States are very different and will need to work hard to bridge the large gaps between them. The United States needs to reevaluate its assumptions that “China will change its political system once it prospers economically,” or “China will vie with the United States for leadership once it becomes powerful.” Meanwhile, China needs to better explain to the American public and the world at large its long-term goals and intentions. On some issues, the two countries can perhaps develop a new philosophy of agreeing to disagree. By approaching each other with more empathy and open minds, China and the United States can begin to acknowledge and respect the places where they have divergent interests, and accept win-win rather than zero-sum outcomes.

This will not be easy in today’s environment. Both Chinese and American societies are experiencing noticeable tides of populism and nationalism, which make blaming each other for one’s own domestic weaknesses all the more appealing. While popular sentiments should be treated seriously, Chinese and U.S. leaders should also be more proactive in working to lead public opinion about China-U.S. relations in a more positive and realistic direction. In fact, in the past 44 years since President Richard Nixon visited Beijing, the two governments have been rather successful in managing their differences and safeguarding the overall China-U.S. relationship. Given today’s politically charged environment, both sides need to expend more effort on clearly explaining to their domestic constituencies the strategic importance of avoiding conflict and confrontation, as well as their willingness to cooperate, which both governments have repeatedly communicated to each other, so as to form a broader political consensus for the relationship at home.

With a Trump administration entering the White House in January, Beijing and Washington should quickly find opportunities to establish new trust and confidence in each other. **When President-elect Trump assumes office, his team should move quickly to establish direct connections with their respective Chinese counterparts and jointly suggest a priority list and work schedule**

for 2017. One top priority, of course, is to make sure that the two heads of state meet in person as soon as possible and that there is good chemistry between them. The two sides may also want to find a way to sustain the top-level China-U.S. Strategic and Economic Dialogue held annually since 2009. In light of the uncertainties ahead, non-government experts and think tanks can also play an important role. They will need to work even more intensively than before to exchange views on critical issues and provide policy advice to their governments.

Beyond more active dialogue, the two sides also have a number of substantive issues they should work to address. **In upcoming bilateral dialogues between Beijing and Washington, the two sides should candidly discuss and clarify their long-term intentions on sensitive issues such as the South China Sea, denuclearization of the Korean Peninsula, stability across the Taiwan Strait,**

Focusing on handling domestic affairs and satisfying their constituencies at home is the most meaningful competition that China and the United States could pursue.

and cyber security. To allow economic cooperation to be a continued “ballast stone” and “booster” in the bilateral relationship, the two sides also need to find practical ways to cope with problem areas such as currency exchange rates, business environments, trade regimes, and legal disputes. There are also numerous opportunities for economic cooperation. For example,

President-elect Trump emphasized the need to improve infrastructure in the United States, in which Chinese companies could invest. China, for its part, is seeking financial and technological cooperation from industrialized countries in building its One Belt, One Road initiative and would certainly welcome U.S. support for this endeavor.

Dr. Henry Kissinger proposed in his book, *On China*, that China and the United States should establish a relationship of “co-evolution,” in which “both countries pursue their domestic imperatives, cooperating where possible, and adjust their relations to minimize conflict.” I think “co-evolution” also means “peaceful competition.” Focusing on handling domestic affairs and satisfying their constituencies at home is the most meaningful competition that China and the United States could pursue. With both Beijing and Washington likely to be more focused on domestic priorities in 2017 and beyond, we can hope that they will be able to approach their relationship in this spirit of cooperation and peaceful competition, to help stabilize this important relationship for the years ahead.

Building Asia's Economic Architecture: An Opinion from the Republic of Korea

CHOI SEOKYOUNG

Choi Seokyoung is a visiting professor at the Graduate School of International Studies at Seoul National University, and was formerly the Republic of Korea's Ambassador to the World Trade Organization.



OVER THE PAST 60 YEARS, THE ASIA-PACIFIC REGION HAS EMERGED AS THE WORLD'S ECONOMIC POWERHOUSE. This is largely the result of the deliberate choice of Asian nations to embrace economic interdependence and engagement. Asian leaders have worked to crack open domestic markets, liberalize trade regimes, tackle structural reforms, and attract foreign investment. If current trends continue, this region will remain the driver of global economic growth for years to come. But we cannot afford to become complacent or assume that our earlier gains cannot be reversed. The Asian region continues to struggle with ongoing political and historical disagreements, and increasingly troubling security developments, such as the Democratic People's Republic of Korea's (DPRK) nuclear provocations. It is imperative for economic progress to continue. This is where the United States will be instrumental.

The United States has for many decades played a central part in promoting peace and prosperity in this region. It has long advocated for key values, such as democracy, open markets, fair governance, and human rights protections, which contribute to a more open and transparent regional architecture. Asian allies and partners will look to President-elect Trump for reassurance that the United States will continue in this role. To be frank, there is deep concern that this may not be the case. Many countries are worried by the populist, and potentially protectionist, rhetoric that has recently dominated U.S. politics, and concerned about the implications for U.S. relationships in Asia.

I hope that now that the elections are over, U.S. leaders will continue to embrace global engagement through the promotion of regional trade and investment, and strengthened economic ties with Asian countries. This would bolster America's long-standing alliances and partnerships and help maintain the momentum of the U.S. rebalance. Should the United States become disengaged from the region, it would create a vacuum that China and Russia could capitalize on to expand their influence. This would be a troubling outcome for both the United States and Asian countries. Given President-elect Trump's stated intention to withdraw from the Trans-Pacific Partnership (TPP), Asian countries will need to see clear and tangible signs that the United States does not intend to walk away from its role as a global economic leader.

President-elect Trump can take several steps that would assure Asian countries he remains committed to U.S. economic engagement in the Asia-Pacific region. **First, the United States should continue to pursue high-standard bilateral trade and investment agreements in Asia.** As the global economy evolves, we are seeing new trends such as the emergence of global value chains, increasing trade in services, rapid development of digital commerce, and the expansion of foreign investment. Countries with more open, transparent, and inclusive trade policies can reap the benefits of these changes and high-quality bilateral agreements remain an important tool for tapping into those benefits. The Korea-U.S. Free Trade Agreement (KORUS) is a great example of a comprehensive, high-standard agreement that has opened markets significantly and resulted in substantial benefits for both the United States and the Republic of Korea. During the U.S. presidential campaign, some suggested that the United States should renegotiate the KORUS agreement. This would most certainly lead to a significant loss of U.S. credibility in Asian minds.

Second, the United States should continue to champion the benefits of a fair and open global trade architecture. While international trade agreements have come under increasing criticism in recent years, creating a transparent global trade regime that fosters a sense of fairness and clear rules of the road remains an important objective. Ultimately, this approach also holds the greatest potential for wide-

spread economic progress. Unfortunately, the World Trade Organization (WTO) has lost momentum in recent years, making it unlikely that it can drive large-scale trade liberalization for the foreseeable future. Nonetheless, the WTO still plays an important role in keeping protectionism at bay, upholding the rules-based trading system, and managing international dispute resolutions. And in recent years, it has delivered a number of meaningful deals, such as the Trade Facilitation Agreement in 2013 and the expansion of the Information Technology Agreement in 2015. The United States provided outstanding leadership in bringing these deals to fruition. I hope that the United States will continue to play a proactive role in the multilateral trading system, which will eventually regain momentum for plurilateral trade negotiations. This would ultimately hold the greatest promise for widespread economic benefits.

Third, the United States should ratify and secure the entry into force of the TPP. U.S. leaders need to restore the confidence of America's trading partners by finding a path forward with this important agreement and upholding the delicate balance struck between TPP members. Any attempts to alter this balance and strike a new bargain would only undermine U.S. regional leadership and lead to a loss of credibility. It is also imperative to look beyond the current agreement to establish clearly defined accession procedures for non-members, such as the Republic of Korea, that might wish to accede in the future.

Should the Trump administration follow through with its stated plans to walk away from the TPP, I hope thoughtful consideration would be given to preserving the substantive parts of the agreement that were developed in accordance with the trade promotion authorities provided for by the bipartisan Trade Preferences Extension Act of 2015. I also hope the incoming administration and Congress will soon develop a new U.S. trade policy platform to provide greater clarity and transparency to private sector stakeholders and trading partners.

U.S. leaders will need to be bold in addressing challenges at home and pushing back against protectionist sentiments that would ultimately be self-defeating.

Fourth, the United States should also explore opportunities to cooperate with Asian partners on a range of economic issues and pay more attention to numerous Asian economic initiatives already underway, such as the "One Belt, One Road" initiative. There are numerous opportunities to partner with Asian countries on this and other initiatives that would have an impact on trade and investment. This includes further efforts to establish a bilateral investment treaty with China, which would be an important step in setting shared economic rules of the road between the world's two largest economic powers. Once concluded, it would also provide an important benchmark in promoting foreign investment and market access in China, and in the broader Asia-Pacific region.

Finally, U.S. leaders will need to be bold in addressing challenges at home and pushing back against protectionist sentiments that would ultimately be self-defeating. Continued calls for more protectionist U.S. trade policies would only result in increasing misperceptions about the consistency of U.S. economic policy, which could have far-reaching implications on the prospective business environment in the Asia-Pacific and beyond.

The post-World War II global economic order, whose creation was led by the United States, is based on open markets, free trade and the free movement of capital. However, as we have witnessed

during the recent U.S. electoral cycle, trade has become an easy but misplaced target for those angered by the ill effects of globalization. Research has proven that job losses and wage stagnation have been driven primarily by technological changes and domestic policy choices, not by trade liberalization. If trade becomes a scapegoat for all of globalization's challenges, nations risk forfeiting a powerful tool for growth and needed economic reform. It is therefore imperative that the United States leads in making a stronger and more effective case for the value of international trade. The United States built its economy on the promise of open trade and global engagement; it must stand together with Asians to help them do the same.

Southeast Asia at an Inflection Point: An Opinion from ASEAN

CHAN HENG CHEE

Chan Heng Chee is the Chairwoman of the Lee Kuan Yew Center for Innovative Cities at the Singapore University of Technology and Design, and was formerly Singapore's Ambassador to the United States.



EVERY FOUR YEARS THE UNITED STATES CHOOSES ITS PRESIDENT IN AN ELECTION THAT IS ASTONISHINGLY TRANSPARENT, frequently unpredictable and internally all-consuming. In Asia many thought that we too should have a vote in that election, as what the U.S. president decides and does will have an enormous impact on us and on the rest of the world. So I take this opportunity to provide one perspective from ASEAN in hopes that it may find its way to the highest level of policy makers.

The United States has a history of long engagement with Asia and ASEAN. Since World War II, it has been the most significant player in the Asia-Pacific region, and it enjoys good will and support from most Asian countries. U.S. alliances, formed in the aftermath of the war, are the anchor of the U.S. military presence in the region, helping keep the peace and grow prosperity. During the Cold War, the United States was seen to be a natural partner for non-communist countries in the region. Lee Kuan Yew, the Singaporean statesman, made the point on a couple of occasions that the U.S. decision to stay and fight in Vietnam bought time for the ASEAN countries to build their economies and institutions. This allowed the new states to develop into industrializing economies.

U.S. alliances, formed in the aftermath of WWII, are the anchor of the U.S. military presence in the region, helping to keep the peace and grow prosperity.

The post-Cold War international scene is far more complex. For a brief moment, the United States enjoyed a hegemonic role and used its tremendous power to try to shape the international system. But the rapid emergence of new challenges, both traditional and non-traditional, has created instability in the global order. The world was surprised by the sudden dissolution of the Soviet Union; the unfolding of the Asian financial crisis; the spread of jihadist terrorism; an unravelling Middle East; and wars in Afghanistan, Iraq, and Syria. In Asia, the regional context has changed fundamentally with the rise of China and the return of great power rivalries. Together, these events have kept the United States preoccupied and distracted, and reactive rather than strategic in exercising its international role.

Today, Asia is facing a strategic test in adjusting to a new China, a development that presents both opportunities and challenges. China presents a tremendous opportunity because of its market and its vast potential in trade and investments, and its recent economic initiatives have been well-received. The establishment of the Asian Infrastructure Investment Bank was welcomed by all countries in Asia and China's One Belt, One Road vision has intrigued and interested governments and businesses alike. Although its economy has slowed in the past two years, it will pick up again; even though more ups and downs are likely, China's long-term economic trajectory remains positive. China is a challenge, however, because all the countries in Asia must face China as a great power, and as a power that has become more assertive in its territorial claims in the South China Sea and the East China Sea.

It is in the maritime domain in particular that China's rise poses a challenge, especially to the United States, which has been for the past seven decades the predominant power in the Pacific. That position is about to change. The South China Sea has become a proxy for the competition for influence between the United States and China in the region. In this contest, China has been a steady player, persistent, gifting, and ever present. ASEAN has especially felt the weight of Chinese influence in the South China Sea, where China's Nine-Dash Line claim and the speed and scope of its land reclamation

dwarf similar activities by other claimants. The four ASEAN claimants are working, each in its own way, to find a path to peacefully resolve their disputes with China, both through bilateral and regional venues, and according to the UN Convention on the Law of the Sea and international law. What is left unclear, however, are the broader implications of Chinese activities for freedom of the sea lanes and overflight, issues that international stakeholders are keen to clarify.

So what would ASEAN want the next president of the United States to do? This is a much harder question to answer than a few months ago. ASEAN is at an inflection point.

On October 21, during his state visit to China, President Rodrigo Duterte of the Philippines said before a packed Philippine-China Business Forum: “I announce my separation from the United States ... in military, maybe not social, and economics also,” at the same time declaring his pivot to China: “I will be dependent on you for all time.” He went even further in declaring his new foreign policy approach, stating: “I’ve realigned myself in your ideological flow and maybe I will go to Russia to talk to Putin and tell him that there are three of us against the world—China, the Philippines, and Russia. It is the only way.”

While it was expected that President Duterte would rebalance his country’s foreign policy, this very stark and clear statement was not. His officials later walked back his remarks, clarifying that President Duterte did not mean the Philippines would cut off economic and trade ties with the United States. Meanwhile, U.S. White House and Pentagon spokespersons indicated that the administration had not received any request to alter the bilateral relationship. President Duterte has back-pedaled on his unexpected declaration, explaining he did not mean to sever U.S.-Philippine ties, but it is too soon to understand how this “separation” will translate in action. The significance of a downturn in U.S.-Philippine relations would be profound. Nearly four million Filipinos live in the United States and remittances from overseas make up ten percent of the Philippines GDP. Moreover, the U.S. relationship remains very popular with average Filipinos. A Pew Research Center survey last year showed 90 percent of Filipinos love the United States, a higher percentage than Americans.

In reality some ASEAN states have been realigning themselves toward China in differing degrees for quite some time.

While the Philippines has been more open and dramatic about the switch in its orientation and mindset, in reality some ASEAN states have been realigning toward China in differing degrees for quite some time. Cambodia and Laos, and to some extent Thailand, Brunei, and Malaysia, have all moved into the Chinese orbit without fanfare. Yet it would be wrong to believe that most ASEAN countries are only interested in one set of relationships. In fact, given their economic, trade, and cultural ties, ASEAN countries want to engage with all the major powers in the world, and in particular to enjoy good relationships with both the United States and China. And they also want the United States and China to enjoy good relations with each other. ASEAN understands that better relations between the United States and China makes life easier for the smaller and middle-sized countries in Asia.

With this as background and bearing in mind the election rhetoric and the inward-looking and protectionist mood of the U.S. electorate, it is crucial that the first message Asian countries hear from President-elect Trump is one of continuity, emphasizing that the United States means to stay in Asia, that U.S. engagement with Asia and ASEAN will remain unchanged, and that America’s word is good.

Beyond this statement, the United States can do several things to reassure ASEAN partners:

1. **The first policy initiative that would speak volumes and go a long way to signal commitment would be for the new Secretary of State to make Asia and ASEAN the first trip abroad.** This would signal at once that the United States intends to pay attention to the most dynamic region in the world and that it intends to maintain its position as a key player in Asia. In 1961, Dean Rusk made Asia his first stop for his first visit abroad as secretary of state. Hillary Clinton was the second secretary of state to do so. Asia and ASEAN hope there will be a third under the Trump administration.
2. **It is crucial that the U.S. president attend every ASEAN regional meeting, such as the ASEAN-U.S. Summit and the East Asia Summit, particularly as the Philippines will be the ASEAN chair in 2017.** Under President Aquino, the Philippines chose to go to the international arbitral tribunal over the South China Sea, angering China. Yet, President Xi Jinping still attended the Asia-Pacific Economic Cooperation (APEC) Summit in Manila amid bilateral tensions. Few platforms in Asia engage all the leaders of the region. Not to show up would suggest the United States has yielded or degraded its leadership role.
3. **The United States must continue to deepen its relationship with ASEAN. In 2009, the United States initiated an annual U.S.-ASEAN Summit. This was an excellent initiative by President Obama and should be continued by President-elect Trump.** The relationship developed into a Strategic Partnership in 2015. The Sunnylands meeting swiftly followed in 2016. There are five priority areas of cooperation in the ASEAN-U.S. Strategic Partnership: economic integration, maritime cooperation, transnational challenges including climate change, emerging leaders, and women's opportunities. Maritime capacity-building and cooperation on humanitarian assistance and disaster relief would be good places to focus going forward given the hyper typhoons and earthquakes in the region. The United States has also played an important role since 9/11 in providing assistance to ASEAN with counter-terrorism capacity-building and intelligence exchanges. This too could be stepped up given increased concerns about the probability of an ISIS-inspired terrorist attack in Malaysia, Singapore, and Indonesia.

It is crucial that the first message Asian countries hear from the next President of the United States is one of continuity.

4. **The United States should continue to play a role in upholding the regional rules-based order through its military presence, and to support ASEAN in building a regional architecture.** Routine freedom of navigation operations are useful in this regard. They should not be seen as provocative as they are consistent with international law, which protects the freedom of the sea lanes and overflight. However, they must be conducted with caution because accidents and miscalculations can happen. Here, promoting continued adherence to the Code for the Unplanned Encounters at Sea will be important and can help the relevant parties operate more safely in an increasingly crowded maritime space.

- 5. But the U.S. stake in ASEAN is not based solely on security. U.S. economic ties to ASEAN are important, and growing, and must be a continued priority.** ASEAN's total population is more than 600 million people. Two-way U.S.-ASEAN trade is worth US\$234 billion, and ASEAN is the fourth-largest goods export market for the United States after Canada, Mexico, and China. The U.S.-ASEAN Business Council estimates that seven percent of U.S. jobs from exports are supported by exports to ASEAN and more than 560,000 American jobs are directly or indirectly created by goods and services exports to the regional grouping. The United States should continue to cultivate this long-standing business and trade partnership.
- 6. The new administration must send out a balanced message on trade.** During the election campaign, a large segment of the electorate came out against international trade, and the Trans-Pacific Partnership (TPP) agreement in particular. The United States is among the top two trading nations in the world. Trade and investment formed the basis for U.S. growth and prosperity and the strengthening of U.S. relationships with the world. Trade needs to be rebuilt. Asia has been enormously important for the United States in terms of trade relations. Years of hard negotiations have gone into the TPP trade agreement, the largest trade deal in history that is a win-win on all sides. Going forward, the new administration should work with Asia for a trade architecture with which we are all comfortable.
- 7. Above all, the United States must understand that many countries in ASEAN are going through political transitions and will be primarily focused on internal affairs for the foreseeable future.** Thailand will see a new monarch installed soon and a new government when elections are held at the end of 2017, as Prime Minister Prayut has publicly promised. The Philippines president is new and so is the government of Myanmar. Indonesia's President Jokowi, elected in 2014, is arguably still new and focused on his domestic agenda. His foreign policy agenda is still being defined. Internal development will be the top priority for these countries, and their foreign policy priorities are likely to be colored by and flow from their domestic economic and development agendas.

Many countries in ASEAN are going through political transitions and will primarily be focused on internal affairs for the foreseeable future...the United States must exercise patience with ASEAN.

The new U.S. administration will have to be patient with ASEAN as these transitions take place. ASEAN may not be as active or dynamic as in previous years, and it may be more difficult to achieve consensus among members. Of course, these ebbs and flows happen with most expanded groupings. The United States should refrain from using U.S. metrics to measure ASEAN and decide if meetings are worthwhile attending or if ASEAN has achieved the appropriate results. This type of criticism will not be helpful or productive. The United States needs to understand that nationalism is a growing force within many ASEAN countries; increasingly, they will not accept external criticisms of their internal policies. They also perceive a double standard between how the United States treats matters of democracy and human rights in Asia versus the Middle East. Asians question, for example, why the military leadership of Egypt was accepted as legitimate after it forcibly removed the country's elected president (albeit amid protests and demonstrations), and yet Thailand has been marginalized and isolated under similar circumstances.

Finally, I end by recognizing that I have not touched on the issue of the Korean Peninsula and the rapid development of the Democratic People's Republic of Korea's capability to threaten the Republic of Korea, Japan, and now the continental United States with nuclear weapons. This is an urgent and imminent problem. It is not an area in which ASEAN is positioned to offer serious advice, but we are nonetheless concerned with the potential proliferation of nuclear materials. The potential for nuclear weapons to get into the wrong hands is a security threat in our countries, as it is for every country in the region. Preventing this outcome must be a top priority for the new administration.

We look forward to working with President-elect Trump to see the continued commitment of the United States to Asia.

Strengthening America's Troubled Asian Alliances: An Opinion from Australia

PETER JENNINGS

Peter Jennings is Executive Director of the Australian Strategic Policy Institute and was formerly the Deputy Secretary for Strategy in the Australian Department of Defense.



THE TRUMP ADMINISTRATION HAS A SERIOUS TASK AHEAD OF IT TO REASSURE AMERICA'S FIVE TREATY ALLIES in Asia that Washington remains fully committed to the security of the region. This won't be easy. Strategic competition in Asia is becoming sharper as China's increasingly assertive behavior gives rise to worries about military miscalculation or conflict over disputed areas in the East and South China Seas.

The new Trump administration faces three challenges. **First, it needs to reassure jittery allies of the U.S. commitment to Asia by increasing its diplomatic and military presence.** New secretaries of state and defense should expect to log many air miles to the region, overcoming local worries that the United States underestimates the region's big strategic challenges and is too focused on the intractable Middle East.

Second, the new administration must craft new language expressing U.S. priorities and purpose in Asia. This must replace the Obama's administration's rather haphazard use of "pivot" and "rebalance" to describe its Asia policy. In practice, neither term was credibly enacted. The Trans-Pacific Partnership trade deal languishes and several promised military enhancements have been delayed.

Finally, the administration should raise its expectations of its partners. U.S. resentment of allies' free riding on the coat tails of U.S. defense spending is justified. If allies want the confidence of America's steady hand shaping Asian security, Washington should be clear about what it wants in return. The alliances will work better if all parties raise their expectations of the resources and defense cooperation needed.

If allies want the confidence of America's steady hand shaping Asian security, Washington should be clear about what it wants in return.

If Washington is to offer more effective alliance leadership in Asia, **the new administration must sort out its own strategic plans and priorities. That should start with a decision to take firmer positions against unilateral Chinese moves to build and militarize artificial islands in the South China Sea.** The Obama administration fundamentally misread this issue as a second-order sovereignty dispute over rocks and shoals.

As Beijing puts the finishing touches to three military-grade runways and air bases in the South China Sea, it is clear that what is really at stake is year-round Chinese air space control over one of the world's busiest trade routes and a vital artery for energy supplies to North Asia. The Chinese threat to freedom of navigation through the South China Sea is close to being an existential threat to Japan and the Republic of Korea (ROK) because of their dependence on Middle East oil and, increasingly, liquified natural gas. The same access is critical to Australia's economic viability as a principal energy supplier to North Asia.

The Obama administration's first response to this emerging crisis was to ignore it; then to allow lengthy interagency bickering on how to respond; and, finally, to mount a handful of military overflights and naval transits. Efforts to promote a more coordinated response among allies—for example to press for multiple countries to undertake so-called freedom of navigation maneuvers—were uncoordinated and half-hearted at best.

The result was that Japan, the ROK, and Australia, America's most effective alliance partners in Asia, have thus far not undertaken naval freedom of navigation operations and remain reluctant to do so in the absence of consistent U.S. leadership on the issue.

President-elect Trump should put a high priority on leading a more concerted alliance response against China’s attempt, without any accepted basis in international law, to control vast swathes of ocean around its borders. More broadly, the allies need to be part of a sustained discussion around how to align responses to a raft of strategic challenges. Many of the region’s security problems have China at their core—for example, strengthening cyber security against Chinese intellectual property theft, aligning policy on foreign direct investment to protect critical infrastructure, and developing a shared approach to controlling dual-use and sensitive technology exports to China.

President-elect Trump should take the opportunity to ditch the Obama administration’s inconsistent use of the terms “pivot” or “rebalance” to headline the U.S. Asia-Pacific policy. The new administration needs to define a new policy basis for engaging its friends and allies in the Asia-Pacific region.

With Japan and the ROK, the key policy challenge is to strengthen regional confidence about the durability of U.S. engagement. A key way to do that would be to strengthen U.S. interoperability with the military forces of both countries. It’s a rather surprising fact that the level of military-to-military engagement between these otherwise close allies is not as close as might be thought.

These relationships need to be redesigned to strengthen the joint and interoperable war-fighting capabilities of the allies. Washington increasingly needs to plan to operate *with* Tokyo and Seoul as much as it thinks about operating *from* bases on their soil. Key priorities will be to strengthen capabilities for anti-submarine warfare and develop plans for operating the Joint Strike Fighter, which all three countries and Australia are acquiring. Ballistic missile defense, cyber security, and the resilience of satellite communications and other space-based systems will all need higher priority for closer cooperation in a reinvigorated alliance framework.

President-elect Trump will also need to address an increasing worry, particularly among the North Asian allies, about the strength and credibility of America’s extended nuclear deterrence. The issue has to be addressed as part of U.S. thinking on how to modernize its nuclear arsenal. The United States also needs to engage allies in a discussion about the Pentagon’s evolving thinking on exotic emerging military technologies such as hypersonic vehicles, lasers, unmanned autonomous systems and military applications of artificial intelligence. These areas are broadly grouped under the title “Third Offset.” However, the answers to U.S. security concerns will not be purely technical. The allies can help Washington understand that the most effective offset the United States has against potential rivals is its ability to form substantive partnerships with like-minded countries.

In Southeast Asia, America’s two treaty allies, the Philippines and Thailand, present particular problems. The arrival of President Rodrigo Duterte has brought about a rapid and unwelcome deterioration of the U.S. position in Manila. This couldn’t have come at a worse time given the—not unconnected—increase in competition for regional influence between China and the United States in Southeast Asia.

Perhaps the best counsel to offer the new administration on the Philippines is, simply, not to react too quickly to Duterte’s often inflammatory language. It’s clear he is no fan of the United States, but the strong popular support for the U.S. alliance in the Philippines may dampen his interest or capacity to push the relationship to the breaking point.

The Armed Forces of the Philippines remain heavily dependent on U.S. military equipment, training, and support, and they will not see these connections damaged without expressing concern. Senior, quiet, and consistent American diplomacy will be needed to sustain the relationship during President Duterte's tenure.

Perhaps the best counsel to offer the new administration on the Philippines is, simply, not to react too quickly to Duterte's often inflammatory language.

Thailand is going through a difficult transition after the death of King Bhumibol Adulyadej after a 70-year reign. How this will shape domestic politics is uncertain, but many fear the possibility of a return to large-scale demonstrations and street violence. Bangkok's alliance with the United States has been constrained because of Thailand's military rule. Much as the United States, and Congress in particular, has reservations about the regime, Washington needs to understand that self-imposed limits

on defense engagement only play into the hands of China and any other country interested in filling the void.

cooperation. Australia's "2016 Defence White Paper", released last February, proposes a step change in military-to-military cooperation, which would see closer levels of interoperability developed in a wide range of areas, including cyber security, ballistic missile defense, maritime security, air combat capability, amphibious forces, and special operations forces.

The Australian-American alliance remains strong but is in need of senior-level attention in both countries to make sure that complacency is avoided and the greatest benefit is extracted from

The agenda for U.S.-Australian defense cooperation is so ambitious that one has to wonder if it can be delivered by an alliance marked by the almost complete absence of policy machinery. The annual Australia-United States Ministerial Consultations (AUSMIN) dialogue involving the secretaries of state and defense with their Australian counterparts has been cancelled for 2017, hardly a welcome present from the departing Obama administration. **President-elect Trump should make sure that an AUSMIN dialogue happens quickly. An early visit to Australia and a decision to speed up the growth of cooperation involving the U.S. Marines in northern Australia would help to give momentum to an alliance that is increasingly important to U.S. interests in Asia.**

Beyond bilateral alliances, emerging multilateral opportunities involving America's closest friends in Asia are giving rise to new forms of security cooperation. U.S.-Australia-Japan defense cooperation is rapidly evolving. Enhanced training between the Asian countries acquiring the F-35 Joint Strike Fighter could give rise to a powerful vehicle for air-power dominance in maritime Asia. As the alliances take on a more obvious multilateral character, the opportunity arises to bring in non-allies, but close friends, including India, Singapore, and New Zealand.

There is no escaping the view that, as Asia-Pacific security becomes more contested and risky, the United States remains the essential provider of stability and regional confidence. To a president worried about the extent of America's security burdens, that may look unappealing. But the logic of U.S. interests in Asia will continue to push for engagement rather than retreat from the region. In part the answer to these concerns should be to press America's Asian allies to spend more on defense burden-sharing and commit more fully to security cooperation.

Regional Energy Cooperation and the Role of the United States: An Opinion from Japan

KEN KOYAMA

Dr. Ken Koyama is the Chief Economist and Managing Director at the Institute for Energy Economics, Japan.



ASIA'S ABILITY TO MAINTAIN STABLE AND SUSTAINABLE ECONOMIC GROWTH IS AN ESSENTIAL NATIONAL INTEREST for the United States. However, growing regional energy demand is now causing complicated energy-related challenges, which may affect sustainable growth and development going forward. Thus, it is vitally important for the new Trump administration to have a better understanding of these issues and to have a sound and effective energy policy for Asia.

Asia is emerging as the center of gravity for the world energy market. According to the BP Statistical Review of World Energy 2016, Asia's share of global primary energy consumption jumped from 14 percent to 42 percent between 1970 and 2015. As much of this energy consumption is centered on coal, Asia's share of global carbon dioxide emissions also increased rapidly from 15 percent to 48 percent during the same period. As a result of the region's continued economic growth, rising middle-class populations, urbanization, and motorization, these trends are likely to continue over the long-term. The "Asia/World Energy Outlook 2016" by the Institute of Energy Economics, Japan (IEEJ) forecasts that Asia's primary energy demand will increase another 57 percent by 2040, accounting for 60 percent of global energy demand growth.

With all of these changes underway, various energy-related problems are emerging as urgent challenges in the region. In particular, Asia faces four principal challenges: energy security, environmental protection, economic efficiency, and nuclear safety, which can be named as "3E plus S" challenges. On each of these, the United States can play an important role.

Asian Energy Security and the Role of the United States

The BP Statistical Review of World Energy 2016 notes that in 2015, Asia depended on net imports for 24 percent of its total primary energy supply and for as much as 74 percent of its oil supply. The percentage of gas imports now stands at 21 percent after a sharp increase in recent years. Many of Asia's oil and gas imports come from the Middle East, which remains plagued with complex and serious geopolitical problems. As Asian energy demand and imports expand further in the future, securing more stable energy supplies will become a key challenge for the region. Supply security involves maintaining safe transportation and sea lanes, preventing new risks such as cyber-attacks, as well as securing sufficient volume and stable prices. To meet these goals, Asia will need to diversify its energy supply and increase imports from sources including the United States—a growing player through unconventional shale exploitation—and suppliers such as Russia, Canada, and Africa. Asia will also need to promote energy conservation and greater use of non-fossil energy sources.

The United States can play a significant role in enhancing Asian energy security in several ways:

- First, expanding U.S. domestic energy production and the export of U.S. oil and liquefied natural gas (LNG) supplies would contribute to the stability of the world market and help Asians diversify their energy supply structure.
- The United States should also continue to play a pivotal role in maintaining the safe and stable transit of international seaborne energy flows, which are vital to global and Asian economies. U.S. engagement in the Middle East and Eurasia to enhance geopolitical stability will also continue to be a key element of energy security in Asia.
- Finally, the United States, together with Japan and other Organization for Economic Coop-

eration and Development and International Energy Association member countries, should help emerging Asian economies diversify and upgrade their energy supply structure and enhance energy resilience through assistance with advanced technology, infrastructure investment, and policy dialogue.

Asia's Environmental Problems and the Role of United States

The biggest environmental problem in Asia stems from the region's heavy dependence on coal. In 2015, coal accounted for a dominant 51 percent of primary energy consumption in Asia because large coal consumers such as China and India have satisfied their robust energy demand with domestically produced, abundant, and cheap coal.

The Paris Agreement came into effect on November 4, 2016, and the parties, including the United States, China, and India, are now required to reduce or cap their respective greenhouse gas emissions. Many existing targets are too close to business-as-usual levels instead of producing substantial reductions, but parties to the Paris Agreement will be required to revise their emissions reduction targets every five years. Thus, over time, Asian countries will have to reduce their dependence on coal and promote low-carbon energy.

Economically-rational renewable energy use, safer nuclear power plants, and thorough energy conservation hold the key to reducing emissions in Asia. The region must also explore alternative solutions such as promoting the use of cleaner fossil fuels such as natural gas; developing and expanding clean-coal technologies; and tackling carbon capture, utilization, and storage as long-term parts of the solution. Successful reductions in coal use and cleaner, more efficient energy systems will pay climate change dividends while also helping the region confront formidable conventional air pollution challenges.

Again, the United States can play a significant role. **First and foremost, the United States can help Asian countries promote energy efficiency and cleaner energy development. This can be done by supporting Asian countries' strategic efforts to increase the share of cleaner energy sources such as natural gas, nuclear power, and renewable energy.** Clearly, the key issue is to reduce Asia's heavy dependence on coal and create a more diversified and cleaner energy supply mix. **But it is also important for the United States to have a better understanding of the energy reality in Asia, namely the reality that coal is likely to remain a key component of Asia's energy mix for the foreseeable future.** In this context, wider use of clean-coal technology should be an important part of Asian energy policies. With better understanding of this reality, the United States can be an important research, development, and trade partner with Asian countries to promote cleaner coal use while supporting their efforts to reduce coal dependence.

Energy Market Efficiency and the Role of the United States

In many Asian countries, the energy sector is still heavily regulated, with state-run companies and governments exerting direct control over energy prices and providing subsidies to lower prices. Japan has deregulated electricity and gas markets ahead of other countries. Its recent deregulation initiatives to fully deregulate electricity and gas markets have attracted interest from other Asian countries including China, India, ASEAN members, and others involved in energy market reforms. These countries can learn important lessons from European, U.S., and Japanese market liberalization experiences as they work to develop more efficient energy systems. Given that energy security and environmental protection

have externalities and cannot be left to market forces alone, however, appropriate energy and environmental policies must also be implemented. Therefore, Asian countries will need to pursue the best mix of market principles and policy regulation.

The United States, as a country with vast experience in energy market reforms, can provide useful lessons to many Asian countries where energy market reforms are underway or being planned. While being mindful of the differences between the United States and various Asian countries on political, socioeconomic, and energy industry fundamentals, the United States can still provide important inputs on the path to successful energy market reforms. In addition, the United States can also play a significant role in promoting a well-functioning LNG market in Asia by selling substantial volumes of LNG to Asian partners, which would facilitate greater supply flexibility.

Challenges for Nuclear Safety in Asia and the Role of the United States

Nuclear energy is an important electricity source in Asia. Once operational, nuclear plants can efficiently and consistently generate large volumes of baseload electricity without direct greenhouse gas emissions. As the region continues to see robust growth in electricity demand while trying to wean itself from a heavy dependence on coal, nuclear energy use is likely to expand.

The Fukushima accident of 2011 had a great impact on Asian energy production. Japan has revised its energy policy, while the Republic of Korea and Taiwan have become more cautious or critical of nuclear energy use. Nuclear energy expansion depends on safety enhancements, successful efforts to build public acceptance, and regulatory structures that take lessons from past failures. This is particularly important with China, India, and ASEAN considering and implementing a large number of nuclear power plant construction plans. Safe and productive Asian nuclear sectors require enhanced regional and worldwide cooperation to promote safety measures based on lessons from Fukushima, to establish and operate best-practice nuclear regulation systems, and to enhance cooperative emergency response capacities in the region.

The United States is one of the most advanced users of nuclear power, and its policy and industry experiences could greatly assist Asian countries in securing and enhancing nuclear safety in Asia. International nuclear cooperation, in which both the United States and Japan could play an important role, should be promoted in Asia where nuclear power is expected to increase substantially. In other words, the United States can play a critical role in improving the nuclear “3S’s”—safety, security, and safeguards—in Asia. This is not just in the interest of Asian countries and citizens. Nuclear disasters can have far-reaching environmental, social, and economic impacts; many of which affect U.S. interests. By helping develop the next generation of nuclear reactors in Asia, the United States can create opportunities for its domestic nuclear companies and institutions while promoting safer and cleaner energy environments among its Asian partners.

Conclusion

As Asia grows more important in the world, its energy challenges and strategies will become key factors shaping the global landscape affecting stability and sustainability in the world. The United States, with its tremendous strengths as an energy policy leader and its industrial capabilities, can make a great contribution in helping Asian countries address their energy challenges, both for the benefit of its own national interest as well as for the global good. I hope Mr. Trump will consider the important opportunity the United States has to work together with Japan and other Asian countries on these issues.

Opinions from the Rising Generation

RAVI AGRAWAL

Ravi Agrawal is CNN's India Bureau Chief and an Asia 21 Young Leader.

MAGDALENA J. SEOL

Magdalena J. Seol is the the Founder and Managing Director of GDA, a strategy advisory group based in Seoul, as well as an Asia 21 Young Leader.



Advice from the Rising Generation: An Opinion from India

Ravi Agrawal

WHEN PRESIDENT BARACK OBAMA VISITED INDIA IN 2010, HE WOWED A NATION OF more than 1.2 billion people by predicting that the United States and India would form “one of the defining partnerships of the 21st century.” For Indians, Obama’s words represented not only a prediction but also a promise for more engagement, trade, and resource sharing. The next White House will play a crucial role in furthering this partnership.

Since I am writing this note from New Delhi, allow me to put forward the viewpoint from these parts. Indians *like* the United States of America. More specifically, *young Indians like the United States*. According to a June 2016 survey by the Pew Research Center, 49 percent of Indians older than age 50 have a favorable view of the United States. When you look at Indians between ages 18 and 34, however, a considerably larger proportion (61 percent) hold positive views. This generational difference in perceptions of the United States—a 12 percentage point gap between the old and young—is one of the largest such divergences in the world right now. The gap is made all the more important given that most Indians are quite young; half of the population is younger than age 27. The data represents a trend: more and more young Indians admire the United States. They seem to sense the shared values of democracy, freedom, and entrepreneurship. When they can, these young Indians vote with their feet: 132,888 Indian students were enrolled in U.S. schools and colleges in 2015. When they can, many of them stay on to build their own versions of the American Dream, even while maintaining strong links to the land of their birth. American soft power is alive and well in India.

What do Indians want from the next White House? I can only hazard a guess; but from years of living and now reporting in this country, I can point to at least a couple of issues that will define India in the next few decades—and they just happen to be issues on which the United States can partner.

The first is technology. Indians are embarking on a digital revolution. More than 700 million Indians are expected to discover the Internet on smartphones in the next decade. That will triple the number of Indians currently online. Remember how the automobile transformed the United States in the 20th century, with highways, supermarkets, malls, and suburbia? Well, in a somewhat similar way, the smartphone may transform 21st century India with new connections and opportunities. Every Indian will use a U.S.-made product daily, and those products are likely going to be called Google, Facebook, or Apple. This is a tremendous soft power asset. **And there is a role for the U.S. government as well—to lead the way on Internet rules and freedoms, on net neutrality, on cybercrime, and on cyber security.**

The second issue that will animate a growing number of young Indians is pollution and climate change. As I write this note, New Delhi’s air is rated as “Hazardous” with a real-time Air Quality Index north of 500 (Washington, D.C. is currently rated at only 64). How do I know these numbers? I tend to look at the public meter readings at the U.S. Embassy near my office in New Delhi. U.S. leadership in highlighting poor air quality around the world is important. And yet, young Indians will tell you they are searching for answers, not problems. **Technological help to create cheaper and cleaner energy would go a long way toward further endearing the United States to Indian youth.** Or try money—I can’t think of a better global return on U.S. loans. As Indians get richer, they will justifiably want more

air conditioners (which also happen to be massive pollutants). Washington's leadership in hammering out a deal in Rwanda last month reducing the use of hydrofluorocarbons used in air conditioners is the kind of long-term planning that poor countries including India may fight initially (because, New Delhi argues, its people need the chance to grow and consume the comforts of modernity) but will be appreciated in the longer term.

Once-colonized countries such as India eye any form of “interference” with great suspicion. At the same time, there is a reason why younger Indians look to the United States with hope—I think it is because they are looking for global leadership on the issues that do not always make the front pages of their newspapers or their parliamentary debates—issues such as climate change, clean energy, cyber security, and the fight against disease and poverty. But if Washington can lead on these issues globally, maybe in the future you will find that the older generations will like the United States just as much as the idealistic young.

Connecting the New Nodes: U.S. Interests in the Era of Climate Change

Magdalena J. Seol

DURING THE U.S. PRESIDENTIAL CAMPAIGN, PRESIDENT-ELECT TRUMP ARGUED THAT GLOBAL EFFORTS TO ADDRESS CLIMATE CHANGE, SUCH AS THE PARIS CLIMATE AGREEMENT, WERE A “BAD DEAL” that posed an unnecessary burden for business. Although he initially indicated he could withdraw from the Paris Agreement, he has more recently suggested that he has an open mind. I would urge him to reconsider his opposition to climate change cooperation. As more than 300 U.S. businesses recently argued in an open letter, failing to invest in a more energy-efficient and green future will be a “bad deal” for long-term U.S. interests.

The global economy is undergoing profound changes. It is moving, inexorably, toward a green economy. Last year's Paris Climate Agreement, while by itself far from enough to limit the increase in global warming to a desired target, has become an important catalyst for global economic cooperation and integration regardless of whether or not one believes in global warming. The 21st century economy, including America's very own, will be rebuilt on a new, high-tech, climate-safe, and low-carbon system. The United States is already invested in this new system—it cannot disconnect from the new rules of the game. As we saw during the 2016 COP22 Conference in Marrakesh, regardless of the claims of climate change deniers, the overwhelming majority of countries on the planet are marching on toward a more green and sustainable economy. Ultimately, U.S. businesses and the economy will lose by disengaging from this progress. And, in turn, U.S. disengagement means that everyone loses—even China is warning the United States against abandoning the Paris Agreement.

President-elect Trump may also find that climate change is not just an economic issue, but an important national security agenda. The consequences of climate change, such as storms, extreme heat, droughts, and floods, impose serious threats to the United States and other countries. Domestically, the effects of climate change can overwhelm disaster-response capabilities; internationally, they cause humanitarian disasters that contribute to political violence affecting multiple countries. Beyond these threats, there is also a strategic dimension to reducing greenhouse gas emissions. Working together with countries such as China and India to reduce emissions can help the United States integrate those countries into the global rules-based order; it can also help facilitate a more stable development trajectory for

countries such as Indonesia. It can potentially be applied in facilitating changes in deadlock situations like the Democratic People's Republic of Korea.

The Asian region is still dealing with volatile economic, military, political, and demographic transitions, from China's economic slowdown and increasing tensions over the South China Sea to environmental degradation and demographic problems throughout the region. Climate change affects almost all of these problems, both directly and indirectly. It serves as a threat multiplier that significantly intensifies the region's instability.

Asia will need bold actions and closer partnerships with other countries to tackle these complex challenges. Partnership on climate change and environmental issues can provide a relatively safe entry point for political cooperation that can keep bilateral channels open even in the midst of ongoing friction. In some cases, such cooperation may provide a way out of conflict or may even offer ideas for innovative institutional and governance mechanisms. As we recently saw, China's partnership with the United States on the Paris Agreement helped to keep open a channel for both nations to work together regardless of intensifying tensions on issues such as the South China Sea.

Unlike many other global threats, in terms of climate change, we have a clear understanding of the limited time frame for intervention. The next few decades offer a brief window of opportunity for global leaders to minimize large-scale and potentially catastrophic consequences. The broad international consensus that is building around this issue is helping to generate concrete policy proposals to prevent these outcomes. President-elect Trump and his administration should harness this growing cooperation, and the opportunity it provides to advance U.S. political and economic purposes. The march toward a greener future is underway; I hope the United States will continue to stay on this path.

For more content related to this report, visit
AsiaSociety.org/Policy-Institute/Advice45thPresident

Other Asia Society Policy and Business Reports

Roadmap to a Northeast Asian Carbon Market

India's Future in Asia: The APEC Opportunity

Avoiding the Blind Alley: China's Economic Overhaul and Its Global Implications

High Tech: The Next Wave of Chinese Investment in America

Sustaining Myanmar's Transition: Ten Critical Challenges

Chinese Direct Investment in California

Delivering Environmentally Sustainable Economic Growth: The Case of China

Advancing Myanmar's Transition: A Way Forward for U.S. Policy

An American Open Door? Maximizing the Benefits of Chinese Foreign Direct Investment

Pakistan 2020: A Vision for Building a Better Future

Current Realities and Future Possibilities in Burma/Myanmar: Options for U.S. Policy

North Korea Inside Out: The Case for Economic Engagement



Preparing Asians and Americans for a Shared Future

Asia Society is the leading global and pan-Asian organization working to strengthen relationships and promote understanding among the people, leaders, and institutions of Asia and the United States.

We seek to increase knowledge and enhance dialogue, encourage creative expression, and generate new ideas across the fields of policy, business, education, arts and culture. Founded in 1956, Asia Society is a nonpartisan, nonprofit educational institution with offices in Hong Kong, Houston, Los Angeles, Manila, Mumbai, New York, San Francisco, Seoul, Shanghai, Sydney, Washington, D.C., and Zurich.

COVER IMAGE: The White House. Karen Bleier. AFP. Getty Images. 2012