

Wake up, Washington: The US Risks Losing Asia

By Kishore Mahbubani

President George W. Bush's decision to postpone his participation in the 30th anniversary celebrations of the US-ASEAN partnership is an unmitigated disaster that was further aggravated by the decision of Secretary of State

Condoleeza Rice once again to skip the latest ASEAN Ministerial meeting.

Perhaps most pundits in Washington— if they even noticed — would dismiss these slights as inconsequential. In so doing, they would reveal that the mental map of America's strategic planners remains mired in the past while the world is moving in a sharply different direction in the 21st century.

The most important geo-political theatre in the current century will be the Asia-Pacific region. By 2050, three of the world's four largest economies will be Asia-Pacific powers — in this order: China, the United States, India and Japan. Not a single European economy will be on the list. The most important new geo-political relationship will be between the world's greatest existing power, the United States, and the world's greatest emerging power, China.

Washington, it seems, continues to assume that the cards are stacked in its favor, but it ignores a crucial emerging reality: the best geo-political card players are in Beijing, not in Washington.

Beijing's recognition of the importance of ASEAN demonstrates how cut off Washington is from the changing reality. Hence, while Beijing is busy preparing for the future, Washington is stuck in the past. Diaries reflect priorities. The US president's schedulers wouldn't dream of cancelling his participation in either a G-8 meeting or a summit with the European Union (EU). Yet, the G-8 represents a sunset group and the EU represents a new peak of geo-political

incompetence, actively generating insecurity around its borders while wasting time discussing internal arrangements. The EU provides the best possible example of a contemporary international alliance rearranging the deck chairs on the Titanic.

My aim in this essay is to issue a wake-up call to policymakers in Washington. Their eyes are focused on the wrong geopolitical chessboard, they are making the wrong moves and they are wasting or losing valuable political capital accumulated over decades. In the meantime, anti-Americanism continues to grow in spectacular fashion. I know this from personal experience. In 2005, in an effort to help America reconnect with a world that once respected and admired it, I published a book, *Beyond the Age of Innocence: Rebuilding Trust Between America and the World*. It went largely ignored in the United States. Both the *New York Times* and *New York Review of Books* refused to review it. The *Financial Times* gave it a generous half-page review, but dismissed it as anti-American (July 8, 2006). Three weeks later I was in Istanbul, and I asked my Turkish publisher when the Turkish edition would appear.

She said: "We have a problem." I said: "What's the problem?" She replied: "The mood in Turkey is very anti-American. Your book is too pro-American to be published in Turkey."

My essay has three parts. First, I will describe in some detail how America accumulated a valuable reservoir of goodwill in Asia. Second, I will describe how America has begun to lose this goodwill. Third, I will suggest how America can begin to repair the damage. If US policymakers begin to think clearly, they will soon realize why China has discovered the importance of ASEAN. The irony is that ASEAN was very much an American creation, and to lose ASEAN at this stage of the geopolitical contest in East Asia would be an enormous disaster.

REVITALIZING GOODWILL

Any audit of America's relations with Asia should begin with a comprehensive effort to understand that America has done more good for Asia than any other power. It sparked the rise of Asia through the creation of a great liberal and open economic order. The critical decision made at the end of World War II was to create a multi-lateral order that would allow not just America but other nations to grow and thrive. No other great power had tried to create a level-playing field to enable other nations to also succeed. But

America did. This explains why many Asian nations flourished in the second half of the 20th century under this new American world order. Japan emerged from the ashes to become a major power without causing conflict. During the Cold War, it was American companies and their investments that brought economic development to many countries in non-communist Asia.

The US also sparked the rise of Asia by encouraging decolonization after World War II. When America burst upon the world in the 20th century, it could have easily reinforced the European view of history by adding a layer of American colonial domination. Instead America, consciously or unconsciously, peeled away the layers of European colonialism and in doing so opened the door for billions of Asians to enter the modern world.

Many Asians may not admit this out of a sense of national pride, but the reality is that the American dream has become the Asian dream. The three most important societies in Asia are China, India and Japan. America has had a profound impact on the development of all three, but each in different ways. It was the Japanese who were the first beneficiaries of American largesse. Whatever they may say publicly, they know in their hearts that their long process of engagement with America has resulted in enormous benefits for Japanese society.

Japan was perhaps the first nation in East Asia to appreciate the virtues of America. One of the last to appreciate those virtues was China. When Deng Xiaoping wanted to catapult his billion people into the modern world, he found the roadmap in America. Deng visited the United States in January 1979, and he used the American dream to smash the "iron rice bowl." He allowed Chinese TV to show scenes of ordinary American homes filled with items that were then far beyond Chinese dreams: refrigerators, washing machines, and cars. In doing so, Deng shattered the Communist Party myth that ordinary American people toiled in poverty and misery. He also made the Chinese acutely aware of how backward their conditions were. The sharing of the American dream provided the Chinese people with critical ingredients for success: hope and motivation.

The history of the Indo-American relationship is more complicated because of the geopolitical divide of the Cold War. As the two largest democracies in the world, America and India should have naturally come together. However, the Cold War got in the way. America leaned towards China and Pakistan to balance the Soviet Union. India was then

forced to bend towards the Soviet Union to balance China and Pakistan, two countries with which it had gone to war. This divide could have wrecked the Indo-American relationship for a long time.

Despite this, thousands of Indians went to study in American universities. Many stayed on in America. The success of Indian graduates in America, especially in Silicon Valley, brought two monumental benefits to India. First, the Indian community in America provided a massive boost of cultural self-confidence to a country still smarting from the legacy of British colonialism. Second, many successful Indians in the West started a reverse brain drain back to India. These returning Indians were richer in both wealth and experience from their time abroad, and they made a massive contribution to India's development.

One of the big reasons why all of Asia should send a big "Thank You" note to America when the modernization of Asia is complete is because

US universities have done more to train and educate Asian elites than any other society. Since World War II, several hundred thousand Asians have studied in America and returned home. These returning graduates have provided the "yeast" for Asia's rise. One point is worth emphasizing. When these students went home, they did not just bring with them specific technical skills learned in American universities, they also brought with them the entire American ethos: the optimistic view of life and the belief that great societies could be created through human intervention. The conviction of 1960's America that a generation of the best and brightest could transform society spread beyond American shores and affected the psychology of Asia. Moreover, when East Asian elites interact now, the terms they use and the concepts they take for granted are often American in origin.

The new elites in the Asia-Pacific region, including in ASEAN, have been trained in American universities or by American educators. Most are fluent in English. They also have a sophisticated understanding of the global order, both what is going right and what is going wrong. They bring this sophistication to bear on American policies and many of them view with dismay the growing evidence of American incompetence in handling various global and regional challenges. More Americans need to become aware of how America's standing has been damaged by Washington's incompetence.

RESERVOIRS OF HATE

As a result of persistent surveys done by organizations like Pew and Zogby, most thoughtful Americans are now aware that world public opinion has turned against America. The latest Pew Global Attitudes survey in July 2007 confirmed how negatively America is viewed in many corners of the world. The survey findings revealed that favorable ratings of America were lower in 26 of 33 countries for which trends are available.

While many Americans may comprehend that anti-Americanism is rising, few understand the real roots of the phenomenon. Their failure to understand is a result of a simple category mistake. Americans judge America on the basis of America's domestic policies, since these are the policies that impact them. Since many, if not most, of these domestic policies are essentially benign, they continue to believe that America is inherently a benign power. Since many people from overseas continue to dream of migrating to America with the goal of sharing in the American dream, many Americans continue to assume that there are no fundamental or structural problems in America's relationship with the rest of the world.

Most people overseas do not experience America's domestic policies. Instead, they experience America's international policies. More importantly, they absorb the impact of America's power. While the intentions of American policymakers may largely be benign, there is no doubt that the impact of American policies has been less than benign. Take the case of US domestic cotton subsidies. The intent of the subsidies was to help American farmers, not hurt African farmers, but that is what happened. American farmers, thanks to massive subsidies, are assured of 70 cents per pound regardless of the world price of cotton, according to The Wall Street Journal (June 26, 2002). They are then able to dump the excess cotton they produce on the world market and depress world cotton prices. This in turn further impoverishes African farmers. People in East Asia are also aware of how decisions made in Washington by a few key players can rescue millions from poverty or throw them back into misery. One consequence of the Asian financial crisis on Indonesia was that over 50 million people returned to the ranks of the poor. Even now, more than a decade after the crisis began, the full story of the misery that the Indonesian people experienced has not been fully documented, nor have there been any proper studies of how crucial

decisions made in Washington may have aggravated, rather than ameliorated, the crisis.

The latest example of the gap between the intentions of policymakers and the consequences of a policy is the case of Iraq. It is reasonably clear that neither President Bush nor the American Congress that authorized the intervention had any intention of conquering or colonizing Iraq. Apart from the ostensible goal of destroying weapons of mass destruction (WMDs), most American policymakers assumed that the removal of Saddam Hussein would mean the liberation of the people of Iraq. Hence, Iraq would no doubt be better off after the invasion.

It is amazing how few American policymakers can see beyond their intentions. In the lead-up to the Iraq war, there was hardly any critical American debate on the war. Indeed, before the war began, most policymakers could not even conceive of the possibility that their invasion would produce such a multi-dimensional disaster. The world will have to live with the disastrous consequences for a long time.

One strange aspect of the times we live in is how few Americans, including thoughtful members of the intelligentsia, are aware that most of the international community believes that the Iraq war was illegal. Most Americans seem to find this notion inconceivable because President Bush went to war in Iraq with the approval of the US Congress. Hence, the Iraq war was legal in term of US law. Since many Americans believe that the US Congress is the ultimate legal authority and trumps all other bodies, a decision by the US Congress is inherently legal. Yet by the principles of international law, which were established by America itself after World War II, the war is inherently illegal. Something has to give here. Both notions cannot coexist at the same time. Hence, the legal consequences of the Iraq war will also reverberate for generations.

The illegal dimensions of the Iraq war have created massive political problems all across the globe. But these problems have in turn been enormously aggravated by the remarkably poor execution of the war. Indeed, Iraq provides a textbook example of how not to invade or occupy a country. Any "competent" invasion of Iraq should have taken care of several obvious things before the invasion took place. First, the history of Iraq should have been studied with a view to understanding how to (and how not to) govern Iraq. A simple study would have exposed the difficulties in managing the joint interests of

Sunnis, Shiites and Kurds. Second, the prevailing administration and methods of governance should have been studied. Decisions on what to retain of Saddam's order and what to remove should have been made before the invasion. Third, an attempt should have been made to study the artistic and cultural treasures of Iraq that had to be protected with a view to demonstrating that America was undertaking its occupation with grave responsibility.

Amazingly, none of this was done. Instead, disastrous decisions were made. America pushed for democracy without even thinking about how to protect the minority rights of the Kurds and the Sunnis, who would obviously be disadvantaged by the transfer of power to the majority Iraqi Shiites.

LONG-TERM CHALLENGES

The other disastrous consequence is that Iraq has sucked away all the political attention of policymakers in Washington. Now the Democrats and the Republicans are engaged in a vicious political battle to turn the Iraq war to their advantage. As a result, the real losers are both the people of Iraq and the people of America. Policymakers are so bogged down with Iraq that they have left the field clear for China to take advantage of numerous geopolitical opportunities. Indeed, while Washington has been distracted and incompetent, Beijing has been focused and competent. America could learn a lesson or two from China on how to manage and use ASEAN to enhance its long-term interests in the region.

The historical irony of Beijing understanding the geo-strategic value of ASEAN better than Washington is that ASEAN was an American-inspired creation. During the Cold War, when the US was bogged down in Vietnam and dealing with the challenges posed by both the Soviet Union and China (before the Sino-Soviet split in 1969), Washington encouraged the creation of ASEAN, and the alliance successfully fulfilled its key initial strategic assignment: to prevent the non-communist societies of Southeast Asia from becoming dominoes. It then did an equally brilliant job of working together with the US and China in foiling the Vietnamese occupation of Cambodia.

This period of cooperation made Chinese policymakers aware of the

strategic potential of ASEAN. Hence, even after reversing the Vietnamese occupation of Cambodia, China continued to develop and strengthen its relations with ASEAN. By contrast, after having nurtured close relations with ASEAN for two decades, Washington effectively dropped ASEAN from its strategic radar screen when the Cold War ended. Overcome by post-Cold War hubris, the US decided that ASEAN was no longer useful or relevant. Hence, while maintaining nominal ties with ASEAN, Washington gave little attention to strengthening relations with ASEAN. I know this from personal experience. I used to attend US-ASEAN meetings in the 1990s. The Americans saw these as a chore and an inconvenience, not as a significant opportunity to enhance American influence vis-à-vis a significant diplomatic actor.

What does Beijing see in ASEAN that Washington does not? China, as it emerges as a great power, is acutely aware that the huge shifts of power in the Asia-Pacific region will have to be managed in order to avoid a negative outcome. New patterns of cooperation will have to be established. In most Western theories of international relations, it is generally assumed that the big jobs of geo-strategic management can only be done by major powers. China recognized early that the major Asian powers could not do the job of engaging one another in new patterns of cooperation, because of longstanding distrust, either between China and Japan or China and India.

This is precisely where ASEAN's relative weakness was turned into an advantage. It gradually expanded its annual Foreign Ministers' meetings to include representatives from other major powers and raised these ministerial-level meetings to summit meetings. This is why US Secretary of State Rice is making a huge mistake in refusing to attend these meetings. The 10 Southeast Asian countries which form ASEAN have far smaller economies and national strength than the three Northeast Asian economic giants — China, Japan and South Korea — yet even as ASEAN is about to celebrate the 40th anniversary of its establishment, we have yet to see an Association of Northeast Asian Nations. Instead, whenever awkward moments develop between the three Northeast Asian countries and their leaders are unable to meet in a bilateral setting because of domestic political complications, they can talk on the fringes of an ASEAN meeting or a meeting spawned by an ASEAN initiative.

Some day, future historians will record the enormous contribution ASEAN has made to regional stability through both the annual

ASEAN Ministerial Meetings and the other processes ASEAN has developed, such as the ASEAN+3 (China, Japan and South Korea), the ASEAN Regional Forum (ARF) and even the Asia-Europe Meeting. One key reason why the Asia-Pacific region remains stable is because of the diplomatic contributions of ASEAN.

Sadly, few strategic thinkers in the US have either understood or explained the enormous contributions of ASEAN. I find that the best way to shake Western commentators out of their intellectual complacency is to compare the diplomatic record of ASEAN with that of the European Union. In economic terms, the EU is an economic superpower (total GNP: US\$13.386 trillion) while ASEAN is a relative economic mini-power (combined GNP: US\$857 billion). Yet, in terms of diplomatic contributions, almost the reverse is true. One key fact about the EU that is under-reported in Western commentaries is how the EU has essentially failed in most of its initiatives to improve the geo-strategic environment in its own neighborhood. Just look at what the EU has done in North Africa, the Middle East, the Balkans, the Caucasus region and even vis-à-vis Russia. There appears to be a structural flaw in the EU's strategic behavior that has not been fully understood. Meanwhile EU leaders and ministers spend their time discussing the internal arrangements of the EU, somewhat akin to striking up the band while the ship is sinking.

By contrast, ASEAN has both strengthened and deepened its engagement with its immediate neighbors. China delivered a huge gift to ASEAN when former Premier Zhu Rongji proposed a free-trade agreement at the 2001 China-ASEAN summit. To demonstrate that it was serious, China even offered unilateral concessions that gave ASEAN an "early harvest" of duty-free access to the Chinese market on 600 agricultural products, including live animals, meat, fish, dairy produce, other animal products, live trees, vegetables, fruits and nuts. The Chinese leaders then confirmed their seriousness by completing the negotiations in record time. A year after the proposal, the final agreement was signed at the eighth ASEAN Summit in Phnom Penh, in November 2002. According to the agreement, the two sides will establish an FTA within 10 years, first with the six original ASEAN states — Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand - followed by the less developed ASEAN members, Vietnam, Laos, Cambodia and Myanmar, by

2015. China also accorded the three non-WTO ASEAN members, Vietnam, Laos and Cambodia, most-favored-nation status. The China-ASEAN FTA, when completely implemented, will constitute a common market of 1.7 billion people, with a combined gross domestic product (GDP) of US\$1.5 trillion to US\$2 trillion.

China's Asian neighbors fully understood the strategic significance of China's grand gesture. A Japanese diplomat told me that Japan saw the

China-ASEAN FTA as "a bolt from the blue." The Japanese had complacently assumed that given Japan's longer track record of close trade, economic and political engagement with ASEAN, Japan would always have the edge. Instead, when Japan campaigned for a permanent seat on the UN Security Council, only one ASEAN member, Singapore, openly supported the G-4 (Japan, India, Brazil and Germany) resolution, while another ASEAN member, Vietnam, supported it privately. The first-ever Summit meeting of ASEAN leaders outside the region was also held in China in October 2006.

Both Japan and India have tried to match China's engagement with ASEAN. Japan proposed a free-trade agreement with ASEAN, which is

expected to be signed in November 2007. Japan has also offered to help ASEAN establish a computerized system for trade among the group's

10 member countries, and Japan. The proposal is part of Japan's new package of initiatives to help ASEAN achieve its goal of having a European-style single market by 2020 and foster economic integration between Japan and ASEAN. Tokyo has further agreed to provide up to US\$ 100 million to fund efforts to set up a comprehensive economic partnership in East Asia.

Not to be left behind, India and ASEAN signed the India-ASEAN Framework Agreement on Comprehensive Economic Cooperation (CECA) in October 2003. The CECA is expected to create a market of 1.5 billion people, and will cover agreements in investments and services, in addition to trade.

So far, the US has not contemplated a grand gesture to upgrade the US-ASEAN relationship. Few in Washington believe that there is a strategic

imperative to do so. Instead, Washington has made matters worse by cancelling the visit of Bush to the 30th anniversary of the US-Singapore

dialogue in September 2007 and in allowing Rice to skip the ASEAN Ministerial meeting. Apparently, US security planners and inside the

Beltway thinkers like to focus on the “big stuff” and not waste their time on weak regional organizations like ASEAN. Hence, when EU delegations flock to Washington, all the big names rush to meet them. When an ASEAN delegation comes, they are ignored. Such behavior clearly demonstrates that strategic thinkers in Washington still see the world through the prism of the 19th and 20th century, focusing on the Atlantic when the real geopolitical challenges of the future will emerge from the Pacific.

The 21st century will be the Asian century. All the new major powers will be here. This is where the major geo-strategic action will take place, not in Europe, Africa or Latin America. To be fair, many thoughtful Americans are aware of the challenge coming from the rise of China, but when they think of responses, they think in black-and-white terms. One idea in vogue is to create a new “Gang of Four” — US, Australia, India and Japan — to balance the rise of China. But the new reality of international relations is that old-style Soviet era containment policies will not work. China has already launched pre-emptive strikes against any possible American policies by sharing its prosperity with its neighbors. The fastest growing trade flows in the world today are those between China and its neighbors, including three members of the new so-called Gang of Four — Australia, Japan and India. Hence, security planners should drop the concept of containment. In a world of greater complexity, they should think of “complex engagement.”

A complex engagement with ASEAN would give the US an opportunity to influence the prevailing thinking in East Asia. By demonstrating, both in word and deed, that the US intends to remain fully engaged with ASEAN, the US will significantly increase its options in managing the rise of China. The 10 ASEAN countries may be economically weak in a comparative sense, but they played a key role in turning global opinion, especially in the developing world, against the Soviet Union. Today, China is moving ahead of America in winning the hearts and minds of Africa, Latin America and the Middle East. Global surveys show that China is viewed with less distrust than America. The 2007 Pew survey revealed that 26 of the 47 nations surveyed found the US “less favorable;” only nine felt that way about China.

In this globalized world, opinions do matter. At some point in time when America and China begin to compete peacefully for global

influence,

ASEAN could play a pivotal role. An ASEAN that is perceived to be tilting towards China will help to enhance China's global standing.

This is one

reason why Japan and India are now working hard to improve their ties with ASEAN. For the same reason, Washington should also make ASEAN a renewed priority.

This will require a huge shift in the prevailing thinking in Washington. Even the more liberal thinkers who are vehemently opposed to the unilateral

policies of the neo-conservatives fail to recognize the strategic importance of ASEAN. The Princeton Project on National Security recently came out with an essay entitled, "Forging a World of Liberty under Law" (see the Spring 2007 issue of *Global Asia*). It has the ambitious goal of matching

the strategic vision of George Kennan and having the same impact as his famous "X" essay published in *Foreign Affairs* (July 1947). The report has many bold recommendations. But it does not mention ASEAN even once in the main essay.

This shows that even if the Democrats gain control of the White House in January 2009, there will likely be no major shift in American thinking on ASEAN. This would be a real tragedy. America would have given up a valuable opportunity to use one of the most influential regional organizations to influence the course of history in the world's most important geostrategic region in the 21st century. To avoid losing this opportunity, American strategic planners should adopt a simple rule whenever they look at any emerging problem across the Pacific. In the midst of their deliberations, they should stop and say, "Think ASEAN." In so doing, they may come up with new strategic approaches.

Professor Kishore Mahbubani is Dean of the Lee Kuan Yew School of Public Policy, National University of Singapore, and the author of *Can Asians Think? and Beyond the Age of Innocence: Rebuilding Trust Between America and The World*. His next book on the theme of "the Rise of Asia" will be published in New York in early 2008.

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