

A Pivot to What? Asia-Pacific Foreign Policy under Trump

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Despite the difficulty in making predictions about an incoming American administration even before the inaugural process has been completed, the first two months since the US elections in November 2016 have already generated a great deal of debate and concern, about uncharted new directions in US foreign policy under president elect Donald Trump. Certainly the new president faces a host of international challenges, including Middle East security and chaotic relations with Russia, but arguably the most critical tests for the incoming government will be found in the Asia-Pacific region. As within other areas of foreign policy, Trump as a candidate oscillated, at times wildly, between interventionism and isolationism in his approach to Pacific Rim affairs, and as the year came to a close there was much watching and waiting in policy circles to see which of these would dominate. In addition, Trump assumes the presidency with the dubious distinction of possessing the lowest amount of foreign policy background in the history of American politics, so there is also the question of his administration's 'learning' curve in crucial areas including the Asia-Pacific, with China relations at the forefront.

The Asia-Pacific region has undergone several transformations during the last half of the Barack Obama presidency, including a series of power shifts and security concerns. In China, the government of Xi Jinping has settled into power and has accelerated both its economic interests, in the form of expanded trade and institutions such as the Asia Infrastructure Investment Bank (AIIB) and the Belt and Road initiative, as well as security policies such as an expanded presence in the South China Sea and a greater focus on projecting maritime power. As well, Chinese foreign policy interests have now expanded into regions far beyond the Asia-Pacific, including in areas of traditional Western interest. The story does not end with Beijing however, as other actors, notably Japan and the Korean Peninsula as well as Taiwan, are already becoming challenges for the new president.

Among the many queries emerging about Trump's developing East Asian foreign policies, the two most pressing involve the degree to which regional policies will diverge from that of President Obama, and whether the cornerstone of Obama's Asia-Pacific strategy, the post-2011 'pivot' or 'rebalancing'

policies, will be maintained under Trump. Initial signs have been contradictory with comments and policy statements during the campaign pointing to a significant change in direction regarding the Asia-Pacific. This leads to a third question: is US power in the Asia-Pacific currently in decline, and will Trump's policies halt or accelerate that process?

China Conundrums

It is not unusual for China to be subject to criticism during presidential campaigns, especially since the country began its economic expansion and the modernisation of its military and strategic interests. Previous presidents, including Bill Clinton, George W. Bush and Barack Obama also singled out Beijing for policy criticism during their runs for the White House. However, Trump has been especially vocal about Beijing during the 2016 race, with much focus on perceived unfair trade and currency policies which were viewed by his campaign as directly damaging the American economy. For example, he promised to label Beijing as a 'currency manipulator', arguing that the value of the Chinese yuan was being kept artificially low to bolster exports, despite statements by the International Monetary Fund in 2015 that such behaviour had ceased. In a vote of confidence, the IMF allowed the Chinese yuan to join an exclusive club of reserve currencies in 2016. Trump on the campaign trail also used harsh language to describe Chinese trade policy, proposing a 45% tariff on imported Chinese goods despite the potential of a devastating trade war (two-way goods trade between the two economies was estimated at US\$598 billion in 2015). Trump had even accused Beijing of perpetuating the 'hoax' of climate change in an online comment in 2012, despite Chinese support for recent environmental initiatives, including the 2015 Paris Agreement.

Concerns about a possible downturn in Sino-American relations under Trump appeared at a time when Beijing was facing a variety of domestic and foreign policy challenges. The Chinese Communist Party will be holding its 19th Party Congress in the autumn of 2017, and until that time the debates about the country's own policy trajectory will persist, including in areas of economic reform, the ongoing anti-corruption campaign, and the next generation of the country's leadership. President Xi has yet

to designate a successor after his second term officially ends in 2022, and given his policies designed to more fully concentrate his power base, especially in comparison with his predecessor, Hu Jintao, the short-term direction of the Chinese government over the next five years has been open to much speculation.

Since coming to power, President Xi has been far less reserved than Hu in defining China's emerging role in relation to the United States. In 2013, Xi began describing American policy in terms of 'a new type of major power relations,' (*xinxing daguo guanxi* 新型大国关系), suggesting greater power parity and a less-accommodating stance towards the dominant strategic role of the United States in the Asia-Pacific region.¹ Although President Hu laid the foundation for China's expanded cross-regional foreign policy through enhanced relations with key regions including Africa, Eurasia and the Middle East, Xi has deepened these links through a variety of means, with the enhanced trade routes of the Belt and Road (*yidai yilu* 一带一路) as the focal point. Even before Trump won the election, the question of a power transition between a rising China and the United States was looming large in American strategic thinking, but how a Trump government will address this transition will present an early foreign policy challenge.

Beyond economic concerns, the strategic relationship between the two great powers has also come under strain, and policy comments made by Trump since his election victory have only increased concerns. Under Xi, Chinese strategic interests, especially in the areas of maritime security, have become more pronounced, as has been demonstrated in the South China Sea over the past two years. During this time, China increased its maritime presence in the waterway and began to augment various reefs in disputed waters as a precursor to adding infrastructure, including facilities for potential military usage. Washington had been highly critical of these practices, labelling them as a policy of creating a 'great wall of sand' through a series of small measures in the SCS.² In December 2016, it was reported that China had placed weapons on some of the islets it controls, despite the watershed ruling by the Permanent Court of Arbitration in July of that year stating that Chinese claims in the SCS, as well as the 'nine dashed line' which demarcated the majority of the waterway, was without legal justification.

Beijing dismissed the ruling as without merit, and has been critical of perceived American attempts at challenging its sovereignty.³ Since October 2015, the American navy conducted four 'freedom of navigation operations', or FONOPs, in the South China Sea, often close to Chinese installations, but the manoeuvres have been criticised for accomplishing little save for exacerbating regional tensions. It is not clear if these operations will continue under Trump, and if so, whether their mandates will change given the incoming leader's more hawkish rhetoric towards Beijing.

In the two months since the election, two other security issues involving China have plagued the Trump transition team. The

first began in early December 2016 when Trump accepted a congratulatory phone call from Taiwanese President Tsai Ing-wen, violating longstanding diplomatic protocols dating back to the 1970s when the United States accepted a 'One China Policy' and switched diplomatic recognition from Taipei to Beijing. Although signs pointed to the call being planned well in advance, it was unclear whether the communication was a product of a lack of background information or an attempt to challenge the status quo in cross-strait relations. The initial Chinese response was muted, with blame being placed on the Tsai government for playing a 'petty trick' and taking advantage of Trump's inexperience. The question, however, became more heated when during a television interview the president-elect openly questioned whether the United States should continue to observe the One China policy.

The response from the Chinese foreign ministry to these comments was highly critical, noting that the One China policy was at the core of the Sino-American relationship. The Chinese media was less diplomatic, accusing Trump of attempting to treat Taiwan as a bargaining chip and engaging in 'bullying' tactics.⁴ The incidents appear to have brought an end to a long quiet period in cross-strait relations, when the previous Taiwanese government of Ma Ying-jeou opted to pursue enhanced economic relations with Beijing, cooling political tensions considerably. President Tsai, whose Democratic Progressive Party is traditionally more pro-sovereignist, has been less supportive of increased ties with the mainland since assuming office in May 2016.

The second incident took place later in December 2016, when an un-manned underwater vehicle (UUV), operated by the American naval vessel *USNS Bowditch*, was intercepted and seized by a Chinese navy ship near the coast of the Philippines. The drone, officially a 'Littoral Battlespace Sensing (LBS) glider', was referred to as an 'unknown device' by Beijing after its removal, leading to questions over its legal status given Law of the Sea protocols. In a statement by the Chinese Defence Ministry after the incident, it was confirmed that the UUV would be returned, but a specific date for the handover was not specified and there were suggestions that the return of the device may be subject to conditions regarding future American activities in the SCS being met. Further complicating matters were contradictory statements by Trump issued over Twitter about that incident. Noting that the UUV was in international waters, the president-elect called the seizure 'unprecedented'. However, shortly afterwards, a second 'tweet' from Trump suggested that China should just keep the drone.⁵ The erratic US response to this incident has added to the ambiguity of the Sino-American strategic relationship, which is not only of great importance to Washington but also to key allies including Japan and South Korea.

'Pay to Play' Diplomacy?

Beyond China, emerging foreign policy developments under Trump have the potential to affect several other Asian powers, including venerable US friends and allies. There was much negative reaction to suggestions Trump made during his campaign that both Japan and South Korea needed to contribute more for their defence, and that, if necessary, both

1 Dingding Chen, 'Defining a "New Type of Major Power Relations",' *The Diplomat*, 8 November 2014, <<http://thediplomat.com/2014/11/defining-a-new-type-of-major-power-relations/>>.

2 Michael Paul, 'A "Great Wall of Sand" in the South China Sea? Political, Legal and Military Aspects of the Island Dispute,' *SWP Research Paper* RP8 (July 2016), <https://www.swp-berlin.org/fileadmin/contents/products/research_papers/2016RP08_pau.pdf>.

3 Chris Buckley, 'China Suggests It Has Placed Weapons on Disputed Spratly Islands in South China Sea,' *The New York Times*, 15 December 2016.

4 ' "One China" Policy Cannot be Used for Bargaining,' *Global Times*, 12 December 2016, <<http://www.globaltimes.cn/content/1023185.shtml>>.

5 Jeremy Page and Paul Sonne, 'China to Return Seized US Underwater Drone,' *Wall Street Journal*, 17 December 2016.

states should consider acquiring nuclear weapons.⁶ This despite trends in the Japanese military towards taking on a more active role in its security, and Tokyo providing about 75% of the necessary funding to maintain American military bases in the country. As well, after September 2015, the Japanese constitution was subject to 'reinterpretation' and in a further move away from traditional views on pacifism and non-intervention, it became possible for Japan to participate in overseas military missions. These changes have caused concern both in China, where disputes over the status of the East China Sea and the Senkaku (Diaoyu) islands has soured bilateral relations, and South Korea. In an unusual step, Japanese Prime Minister Shinzō Abe flew to New York to visit with Trump shortly after the election, attending a meeting closed to the press on unknown topics.

In addition to seeking to build a more independent security policy, Abe has also been increasingly active in regional diplomacy. He agreed to become the first sitting Japanese leader to visit Pearl Harbor at the end of December 2016, and also received Russian president Vladimir Putin for a summit designed to improve bilateral economic ties, address the longstanding territorial differences regarding the southern Kurile Islands, and potentially create a basis for enhanced security cooperation. The prospect of increased American isolation under Trump is of great concern to Tokyo given the central role of the US-Japan security treaty since the 1950s. As well, Japan faces an increasingly uncertain security milieu in its neighbourhood due to the rise of China and the toxic nuclear policies of North Korea.

2016 will not be defined as a stellar year for South Korea and concerns about American commitment to that country's security are only compounding strategic fears. The year saw much economic upheaval, including recovery from the after-effects of Middle East Respiratory Syndrome (MERS) the previous year, the bankruptcy of Hanjin Shipping and critical damage to the electronics firm Samsung, and also a political crisis after a corruption and influence-peddling scandal involving President Park Geun-hye resulted in her impeachment in December of that year and questions regarding her potential successor, as elections were only scheduled for the end of 2017. President Obama had sought to improve trilateral relations between Washington, Seoul and Tokyo, but changed political conditions both in America and in Northeast Asia may further challenge that process.

Relations between China and South Korea were also marred in 2016 after the Park government agreed in July of that year to participate in the development of the 'Terminal High Altitude Area Defence' (THAAD) anti-missile system. Although the THAAD infrastructure was designed to counter missiles from the DPRK, both China and Russia expressed concerns that its deployment would mark an escalation of regional tensions, with Beijing also worried that its own defensive capabilities in Northeast Asia would be harmed. Yet, with the imminent changes in government in both Seoul and Washington, the timetable for the development of THAAD is uncertain. One leading Korean politician and potential successor to Park, Moon Jae-in,

even suggested that the anti-missile system be placed on hold given current domestic and regional political conditions.⁷

If standard practices hold, North Korea will not wait long before issuing its own challenge to the Trump government, since during recent changes in administration in both South Korea and the United States, Pyongyang had conducted missile and at times nuclear tests as de facto wakeup calls. The regime of Kim Jong-un conducted two such nuclear warhead detonations in 2016, in January and September. It is very likely that as the DPRK develops the capability to launch missiles further into the Pacific, threatening not only Northeast Asia but also possibly Guam and even Alaska and the American west coast, more and more advanced tests may take place in 2017. This may especially be the case if the Trump government assumes a more hawkish stance regarding Asia-Pacific security. Thus, the longer-term US strategic commitment to American allies will require short-term clarification should North Korea decide to take an even more belligerent stance towards conventional and nuclear weapons testing.

Southeast Asia is also feeling the effects of an impending Trump presidency in several ways, including in the economic and strategic realms. The most visible case example of this concerns the Philippines, which experienced its own populist revolt with the election of President Rodrigo Duterte in June 2016. In relation to his predecessor, Benigno Aquino III, Duterte's policies towards the United States have been considerably more bombastic and hostile. This a stance may adversely affect strategic relations between Washington and Manila and further complicate American policies in the South China Sea. Since taking office, Duterte has expressed interest in warming relations with Beijing and was even accepting of weapons sales from China. Although personal relations between Duterte and Trump appear to be warmer in comparison with the Philippine leader's vitriol against President Obama, the diplomatic triangle between Beijing, Manila and Washington appears set to become more unstable.

Elsewhere in Southeast Asia, US friends such as Singapore and Vietnam may also need to prepare for a cooler diplomatic climate with Washington under a Trump presidency. The situation in Myanmar may also become more complicated if the US steps back from the region. After the watershed November 2015 election which saw the formation of a mixed civilian-military government following decades of army rule, a delicate set of reforms has commenced, including market liberalisation, an expansion of foreign policy interests and a return to party politics as well as tentative steps to broker peace agreements with ethnic militias. During a meeting between President Obama and Myanmar leader Aung San Suu Kyi, promises were made to further reduce American sanctions on Myanmar and improve bilateral ties. However, the state of that relationship under Trump has yet to be fully determined, and a withdrawal of American attention may be problematic given the still-fragile political situation in Myanmar, especially in light of the deteriorating security situation in the country's Rakhine province by the end of 2016 as a result of a crackdown against the Rohingya minority in western Myanmar.

6 Max Fisher, 'What Is Donald Trump's Foreign Policy?' *The New York Times*, 11 November 2016, <<http://www.nytimes.com/2016/11/12/world/what-is-donald-trumps-foreign-policy.html>>

7 Christine Kim and James Pearson, 'South Korea Presidential Hopeful: US Missile Defence Should Wait,' *Reuters*, 15 December 2016, <<http://www.reuters.com/article/us-southkorea-politics-idUSKBN1440QJ>>.

Trade Winds Reversing?

Another staple of Trump's foreign policy statements during the campaign was an antipathy towards globalisation and especially towards free trade agreements which he felt were harming American firms and workers. Among his promises were to review and possibly even abrogate the North American Free Trade Agreement (NAFTA), operational since 1994, as well as to withdraw from the Trans-Pacific Partnership. The TPP, which brought together several Asia-Pacific economies including Australia, Canada, Japan, Malaysia, and Vietnam, in regional free trade talks, had become such a *bête noire* in the campaign that even Democratic Party challenger Hillary Clinton, originally a staunch supporter, removed her endorsement of the pact. Among Trump's criticisms of the TPP was that it would offer China still more leverage against the American economy, a dubious assumption given that Beijing was never a member of the agreement.

With the United States removing itself from the TPP, the chances of the agreement surviving intact have become infinitesimal given that many of the other members, especially Japan, agreed to the negotiations primarily as a means to gain preferential access to the American market. Other regional economies, including South Korea and Taiwan, were also strongly considering entering the talks before Trump was elected. With the collapse of the TPP, a major component of the Obama 'pivot to Asia' has been knocked over, and the door may have been opened, with some irony, for China to step in as the leading proponent of regional free trade.

Beijing under Xi Jinping has been actively promoting alternative regional liberalised trade agreements, including the Regional Comprehensive Economic Partnership (RCEP), which counts China as well as other Asia-Pacific economies such as ASEAN, Australia, India, Japan, New Zealand and South Korea as members, but not the United States. Also, when China hosted the Asia-Pacific Economic Cooperation (APEC) leadership summit in Beijing in November 2015, Xi called for a revival of the oft-discussed 'Free Trade Area of the Asia-Pacific' (FTAAP). This revival would conceivably bring the whole of the Pacific Rim into what would theoretically be the most expansive free trade agreement of its kind.⁸

With concerns over American isolationist behaviour under Trump, many governments in the Asia-Pacific may be quietly contemplating alternatives not only to US security guarantees but also alternative economic agreements being spearheaded by Beijing. In addition to the RCEP and FTAAP initiatives, the Xi government has also pressed forward with developing bilateral free trade negotiations, including with the Gulf Cooperation Council, India, Sri Lanka and the Shanghai Cooperation Organisation (SCO). With the decline of the Doha Round of global free trade negotiations under the World Trade Organisation after 2008, and protectionist moods prevailing in the United States and Europe, a return to the 'spaghetti bowl' approach to Asian free trade negotiations, meaning a proliferation of smaller-scale agreements across the region, may be in the cards.

'Interesting Times' Ahead?

The best way to describe US-East Asian relations at present appears to be 'predictability of unpredictability', as there are many unanswered questions regarding several key areas of Pacific Rim policy under Trump. The appointment of Rex Tillerson, a former CEO of the energy firm Exxon with limited foreign policy experience to the position of Secretary of State has not provided a great deal of added information, either. After the inauguration of Donald Trump in January 2017, the areas of Asia policy which will be carefully watched include what, if any, of the pivot/rebalancing policy will survive and what will the reaction be from American partners and adversaries.

Should President Trump pursue a more isolationist agenda, will US friends and allies in East Asia seek different economic and security arrangements, including with Beijing? On a related note, will there be a more pronounced power transition in the Asia-Pacific between China and the United States under a Trump presidency? Finally, how will changes to US-East Asia ties affect other regions, including Europe? None of these questions currently have clear answers, but it can be argued that the mosaic of American diplomacy in the Asia-Pacific will look considerably different under Trump.

⁸ Ted Levin, 'China's Xi Urges New Free-Trade Pact at APEC,' *Wall Street Journal*, 18 November 2015.

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