

Obama's Asian Tour and its Impact on East Asia

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Directly after the Democratic Party's disastrous showing in U.S. midterm elections, U.S. President Barack Obama headed for India, Indonesia, South Korea and Japan. It was his second visit to Asian countries since assuming power almost two years ago. In 2009 Obama visited Singapore, China, South Korea and Japan. This year he paid his second visit to South Korea and Japan to attend the G-20 summit in Seoul and the annual APEC Leaders' Meeting in Yokohama, respectively. On this trip Obama discovered that in the year since his last visit the national strength and international influence of the United States has continued to decline, whereas China's influence continued to rise. While Obama did not visit China this time, it becomes more and more obvious that Washington and Beijing are locked in a test of strength.

In a recent article Washington Times reporter Bill Gertz revealed that there are two differing opinions within the Obama administration as to how Washington should deal with China. The soft-line "kowtow" group argues that Obama should not mention sensitive issues that could infuriate China during his upcoming visit to India, such as

Indian-Chinese border disputes, the Dalai Lama and the Tibetan government in exile. Instead Obama should declare that Washington has no intention of cooperating with India to contain China. In contrast a more "moderate" group of U.S. officials believes that Washington should consider taking advantage of the contradictions between India and China as well as India's non-aligned policy to pursue a strategy of "seeking a closer alliance with India to counter China."

During his Asian tour Obama spent the longest time in India. Major topics in bilateral talks were the economy, trade, energy and education. Washington also plans to lift restrictions on technology exports to India and will sell ten C-17 military transport planes to New Delhi. As the world's two most populous democracies the United States and India also maintain a global strategic partnership. Faced with China's rise, the U.S. and India share the natural common goal of using a strategy that counterbalances China. Under its "string of pearls strategy" around India China has strengthened its ports and basic facilities in Myanmar, Bangladesh and Pakistan. According to World Bank figures, China's trade with India's neighbors totaled

US\$16 billion in 2008, exceeding the US\$11 billion worth of trade that India posted with these countries. In a speech before the Indian parliament Obama said that he looks forward to India becoming a permanent member of a reformed U.N. Security Council. This statement was much clearer than China's veiled past hints that it would support an important role for India in the U.N. Security Council. Matters would become even more complicated should Beijing oppose that India become a permanent U.N. Security Council member.

Obama's visit to Indonesia refreshed memories from childhood times when he lived in this country for four years from age six to ten. In a speech at the University of Indonesia, Obama elaborated on the Middle East issue that had already been the focus of a keynote speech at Cairo University last year. But he also noted that "Prosperity without freedom is just another form of poverty." That message was clearly addressed to leaders in Beijing. Obama and Indonesian President Susilo Bambang Yudhoyono declared that they would establish a new comprehensive partnership covering politics, security, economic and development cooperation, civil society, education as well as various mechanisms such as a climate change center. Just before Obama arrived Wu Bangguo,

chairman of the National People's Congress Standing Committee, and a delegation of high-ranking Chinese officials concluded their trip to Indonesia. Wu announced that Beijing would invest US\$6.6 billion in Indonesia to improve the country's basic infrastructure such as roads, bridges and canals.

On the third leg of his trip Obama attended the G-20 leaders' meeting in Seoul. At the meeting Washington drew criticism for the Federal Reserve's decision to print US\$600 billion to stimulate the economy. The developing countries are concerned that hot money will enter their markets. In the Seoul Leaders' Declaration the G-20 leaders stated that they are committed to refraining from competitive devaluation and that they would establish indicators to monitor risks in the global economy. Obama criticized that the renminbi is undervalued, but the declaration did not use the U.S.-favored wording "competitive undervaluation." However, since the declaration drew a link between trade deficits and exchange rates, China continues to face pressure to let the renminbi appreciate. That the G-20 was not willing to adopt the U.S. stance on the currency issue shows that Washington's influence on economic issues and on the international stage is on the decline. On top

of that Obama failed to re-launch negotiations over the completion of a free trade agreement with South Korea that would result in an export advantage for American beef and automobiles.

At the APEC summit in Yokohama, Obama finally got an opportunity to help move some initiatives of former U.S. President George W. Bush closer toward realization. In the “Yokohama Vision” declaration the APEC leaders stated that they reached consensus to “take concrete steps toward realization of a Free Trade Area of the Asia-Pacific (FTAAP).” They also declared that an FTAAP “should be pursued as a comprehensive free trade agreement by developing and building on ongoing regional undertakings, such as ASEAN+3, ASEAN+6, and the Trans-Pacific Partnership, among others.”

In his first National Security Strategy released in May 2010 Obama mentions three strategic objectives, which are rebuilding the foundation of American strength and influence, seeking international engagement and collaboration and promoting a just and sustainable international order. Except for China, the vast majority of Asian nations want to see the United States return to Asia, they want Washington to pay greater attention to the situation in Asia and the changes that are caused by China’s rise. Although unintended,

Obama’s Asian tour turned into a trip to contain China. But China’s large shadow and the strong China factor that loomed wherever Obama went demonstrated that his priority must be reviving the U.S. economy, if he is to stand a chance of winning re-election and lead Asia. **B**