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Trump must reassert US leadership in the Asia Pacific by Jon Huntsman, Charlene Barshefsky, and Evan Greenberg

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Leaders and policies change with elections, but a nation's interests do not. As a Pacific power, the United States has an enduring interest in an Asia-Pacific region that is stable, free, and prosperous. To advance these objectives, the Trump administration will need a coherent strategy that draws on all tools of our power – military, diplomatic, and not least economic.

Over the next few decades, no region of the world will have more impact on America's economic fortunes than the Asia Pacific. As noted in our CSIS report, <u>Reinvigorating U.S.</u> <u>Economic Strategy in the Asia Pacific</u>, the region is home to <u>more than half</u> the world's trillion-dollar economies. As billions of Asians join the middle class, the world's economic center of gravity <u>will move</u> further toward the region, linking more US exports, growth, and jobs to the Pacific than ever before.

Signs of this emerging future are already evident across the country. From the Pacific Northwest to the South, demand from Asia is driving growth in US exports: <u>meat</u>, grains, and produce; automobiles, capital equipment, and <u>energy</u>; health care, financial services, and <u>software</u>. Already, trade with Asia directly supports <u>more than 3 million</u> US jobs, and it has the potential to deliver much more.

But we cannot take this bright future for granted. Growth in Asia faces increasing headwinds. Nationalism and protectionism are on the rise across the region. Challenges to US-led institutions, rules and norms threaten America's security and economic opportunity.

China poses a particular challenge for the United States. The country's spectacular rise to become the world's secondlargest economy in a few short decades has created <u>huge</u> <u>opportunities</u> for US exporters and investors. But <u>as noted</u> in the CSIS report, slowing growth, stalled reforms, and mercantilist policies are creating a more difficult environment in China, while Beijing is pursuing more assertive policies externally.

The United States benefits from a cooperative US-China relationship, but this cannot be sustained if it does not advance the interests of both countries. Even while expanding

cooperation, Washington must be willing to challenge Beijing where it seeks to undermine the rules-based order or when its actions threaten US interests.

In the face of these opportunities and challenges, the Trump administration can – and must – reassert US leadership in the Asia Pacific. Job one is to strengthen the foundations of our own economy, through tax and regulatory reform, infrastructure investment, better education and training, and more spending on basic research. Economic muscle at home is of profound importance to Asia, which equates economic strength with security and the projection of power.

The administration should then build on the solid strategic foundations of our involvement in the Asia Pacific that have guided the past eight US administrations. A strong security presence reinforced with robust investment in a rules-based regional economic order and support for democratic values remains the best way to advance American interests.

The Trans-Pacific Partnership (TPP) was designed to promote America's vision of freer and fairer trade and investment in the Asia Pacific. A successful agreement would greatly increase access for US goods and services to the world's most dynamic markets, while strengthening rules in critical areas such as ensuring an open internet, protecting intellectual property and limiting the role of the state in the marketplace.

The new administration's decision to withdraw from TPP puts these <u>benefits at risk</u> and could leave a dangerous vacuum in the region, undermining US security and prosperity. It will likely give momentum to agreements in Asia that exclude the United States and do not promote high standards, strengthen China's already muscular hand in the region, and undermine our allies and partners.

We urge the Trump administration to use the opportunity of withdrawal to meet with our TPP partners, outline areas of concern, and devise a negotiating agenda to rectify its deficiencies.

The administration should also look for new ways to open markets and advance the high standards that are critical to economic progress in the 21st century. As noted in our recent report, TPP had a <u>powerful effect</u> in incentivizing Asian countries to work with the United States in building a stronger rules-based order. This success should be extended to other areas of economic policy, from advocating for greater transparency as Asia builds infrastructure to promoting high standards in technology.

A key finding of our report was that a successful strategy requires Washington to work more closely with our treaty allies in the region, particularly Japan, South Korea, and Australia, as well as partners such as India and Singapore. The administration must also coordinate closely with the US private sector. And it must develop effective messages that explain the importance of the Asia Pacific to the American people.

Implementing this kind of strategy is complicated by the popular preference to rebuild at home rather than lead abroad. But this is a false dilemma: America's domestic prosperity is inextricably linked to our international leadership. A vacuum of US leadership in Asia filled by less benevolent players would take decades to reverse – and at a huge economic cost by way of lost markets and legitimacy.

Through smart and strategic economic policy, the incoming administration has the opportunity to build a firm foundation for America's Pacific century. It should seize the chance.

PacNet commentaries and responses represent the views of the respective authors. Alternative viewpoints are always welcomed and encouraged.