

## THE PACIFIC REVIEW

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Gerald Segal (1953–1999), Founding Editor

## How Bush bungled Asia: militarism, economic indifference and unilateralism have weakened the United States across Asia

**T. J. Pempel**

**Abstract** Criticism of the Bush administration's policies in East Asia is hardly common fare. Roseate colors certainly pervade the picture painted by defenders of Bush's policies toward Asia who argue that relations between the US and that region have never been better. This paper shows to the contrary that the Bush administration politicized wide swaths of public policy, including foreign relations, in an effort to create a permanent Republican electoral majority. That effort created a host of failures in America's Asian relations. The article focuses on three central problems: excessive militarization of American foreign policy; economic mismanagement; and a unilateralism that distanced the US from the rising Asian regionalism. The failures are not irreversible however and a change in administration has the potential to revitalize cross Pacific ties.

**Keywords** Bush; foreign policy; Asia; militarism; unilateralism; political economy.

By 2008 the United States was pursuing a foreign policy that involved a witch's brew of unilateralism, a bias toward reliance on military force, two preemptive wars, and a cavalier disdain for global opinion and established multilateral institutions. This paper argues that American domestic politics, rather than the country's structural position within the international system, provide the most important drivers for recent American audacity in foreign policy. It shows that the policy choices the Bush administration pursued in response to that base have not only deviated sharply from the path taken

T. J. Pempel is Professor of Political Science at the University of California, Berkeley. His latest book is *Crisis as Catalyst: Asia's Dynamic Political Economy* (Cornell University Press), edited with John Ravenhill and Andrew MacIntyre.

Address: Department of Political Science, Barrows Hall, University of California, Berkeley, CA 94720, USA. E-mail: [pempel@berkeley.edu](mailto:pempel@berkeley.edu)

by earlier administrations but more importantly how these choices have worsened America's position across much of East Asia.

Criticism of the Bush administration's policies in East Asia is hardly common fare. There have been challenges to specific aspects of those policies, particularly regarding North Korea (Democratic People's Republic of Korea or DPRK). Nevertheless, the disastrous foreign policy results generated by Bush policies in the Middle East and Central Asia, the rise of anti-American regimes across much of Latin America, and the deterioration in America's relations with what Donald Rumsfeld once dismissively referred to as 'old Europe', make America's relations with East Asia seem sanguine by comparison. Roseate colors certainly pervade the picture painted by defenders of the Bush policies in Asia. That position is outlined in the next section. But as this paper will argue subsequently, Bush administration policies have generated deep though often non-obvious setbacks for US relations across Asia.

### **The case for the Bush administration**

In assessing Bush administration policies in Asia, current and former officials mirror the longstanding intra-administration policy divisions between hardliners and their more diplomatically inclined rivals. Individuals from the former group such as John Bolton and Robert Joseph, both now out of government, as well as Congressional Republicans such as Ileana Ros-Lehtinen, the ranking Republican on the Foreign Affairs Committee, provide blistering criticism of what they see as excessively soft policies toward the DPRK, and in particular the Bush decision to reduce sanctions against the regime in June 2008. Criticism from such conservatives, however, is drowned out by the stronger chorus from current and former officials extolling how well the Bush policies have worked in Asia. Thus, in an 18 June 2008 speech before the Heritage Foundation, Secretary of State Condoleezza Rice declared:

the United States, contrary to much of the commentary, is actually in a stronger position in Asia than at any other time ... We have reaffirmed and modernized our historic alliances with fellow democracies, Japan and South Korea ... We've worked with our friends and our allies to ensure that China's troubling military buildup does not threaten the region, and to urge China to change irresponsible policies. Yet, we have treated China with respect and we've urged it to use its rising power as a responsible stakeholder, working with us to address common global problems that destabilize the international system ... Since 2001, the United States has improved our relationship with every state in Northeast Asia simultaneously ... we now have better relations with the nations of Northeast Asia than they have with one another ...

(Rice 2008)

Secretary of Defense Robert Gates (2008) declared that the Bush administration would leave a 'strong and positive legacy in Asia'. Going on, he added: 'For those who worry that Iraq and Afghanistan have distracted the United States from Asia and developments here, I would counter that we have never been more engaged with more Asian countries.'

James A. Kelly, former Assistant Secretary of State for East Asia, said in assessing the administration's accomplishments in East Asia '... I hope you will conclude that we deserve "A's." ... We can say with confidence that we have had excellent achievements and made solid progress in Asia' (2005: 15).

Victor Cha (2007: 98–9), Director for Asian Affairs at the National Security Agency from 2004 to 2007, and Deputy Head of the US delegation to the Six Party Talks (SPT) from 2006 until 2007 offers a congruent and more detailed defense:

Inside the Beltway and on op-ed pages across the United States, it has become increasingly popular to lament the demise of US influence in Asia ... But the conventional wisdom is wrong. The United States' position in Asia is now stronger than ever, and Asia remains at peace. The United States has achieved a pragmatic, results-oriented, cooperative relationship with China, and it has expanded and strengthened its alliance with Japan just as Tokyo and Beijing are improving their bilateral relations. This confluence of events has created an emerging US–Chinese–Japanese partnership that greatly enhances regional stability. Washington has also improved its defense relationship with South Korea and successfully facilitated the shutdown of North Korea's bomb-making capabilities through the six-party talks. Finally, the United States has steadily improved its relations with Southeast Asian nations, largely by building on the goodwill it created by leading the humanitarian response to the tsunami in 2004.

Michael J. Green (2007: A21), formerly Senior Director for Asian Affairs in the National Security Council (NSC), offers another broad-brush paean to US–Asia relations:

Is America's Pacific Century over? Is America losing Asia to China? Not yet ... Singapore signed a strategic framework agreement granting greater access to US forces, Indonesia took steps that allowed the United States to resume bilateral military contacts, and Vietnam signed an agreement allowing greater religious freedom to help ensure a successful summit with President Bush and closer strategic alignment with Washington. Arroyo's obsequious nod to 'big brother' in Beijing aside, Asian leaders are not about to let the Pacific become a Chinese lake ... [Further,] America's greatest source of soft power in Asia is the Asian embrace of democracy ... None of these leaders embraced democracy because it was imposed by the United States, nor are they

contemplating imposing democracy on their neighbors. Yet all recognize that their economic development and national security depend on the spread of democratic principles and good governance. As these values are consolidated across the region, they will inevitably affect China, Burma and even North Korea . . . The United States has a winning hand in Asia and needs to play it.

Elsewhere, Green adds (2008: 181–4) an explicitly positive assessment of the US alliance with Japan:

US alliances in Asia are stronger today than they were before the Iraq war, none more so than the alliance with Japan . . . Taken as a whole, the legacy of the Iraq war on the US–Japanese alliance is that it helped facilitate the transformation of the alliance from the regional cooperation characterized by the Nye Initiative of the mid-1990s to security cooperation on a global scale.

Cha (2007: 102) offers a similar assessment: ‘The US–Japanese alliance has reached an unprecedented level of intimacy.’

Such successes, the authors contend, are the result of neither blind luck nor serendipity. Cha (2007: 99), for example, attributes the successes explicitly to Bush policies:

Rather than conceding that the Bush administration has made progress, naysayers in Washington tend to attribute Asia’s good fortune to benign neglect while the administration’s neoconservatives were busy focusing on Iraq. But they are wrong. President George W. Bush’s Asia policy has worked.

Green (2008: 181) goes further, crediting Asian successes explicitly to the war in Iraq:

. . . the Iraq war has [not] galvanized Asia’s rising powers to align to balance perceived US unilateralism. If anything, most major powers in Asia have used the war on terrorism and the conflict in Iraq to align more closely with the United States in order to balance rivals within the region or to advance their global standing. Nor has the damage to US moral authority caused by the abuses at Abu Ghraib and Guantanamo caused a significant backlash against the norms of the US-led neoliberal order. On the contrary, the universal principles of democracy, human rights, and the rule of law have never had more currency in Asia than they do today. These trends in Asia contradict the prevailing wisdom among critics of the Iraq war that the United States has lost influence and moral authority around the world as a direct result of the war.

Other more specific shards are periodically advanced to provide elaborations of the same positive picture: military–military cooperation between

the United States and various Southeast Asian governments; American co-operation with India on nuclear energy; new democratic regimes in several Asian countries; positive breakthroughs in the long-running SPT; the US–ASEAN enhanced partnership; and soft power successes such as battling HIV/AIDS or American relief efforts following the tsunami of 2004.

Most of the authors quoted are respected country and area specialists who are deeply knowledgeable about the places they assess. There is considerable truth to elements of their assessments. Asia is indeed at peace; numerous American military contacts with regional powers are in place; US relations with most Asian governments are low in overt friction; US–China relations have returned to the pragmatic and less categorical context they enjoyed under Clinton; after years of frustrating immobility the SPT became unstuck and appear to be showing forward movement; American actions during the tsunami were universally applauded across the region.

Most correct in such positive assessments is the fact that current conditions in Asia provide an easy bull’s eye for those who challenge the dismal pronouncements of realist scholars who contended following the demise of the Soviet Union that armed conflict was likely to erupt in the region. As Cha puts it (2007: 110):

In a quiet and unassuming way, the Bush administration has left Asia in good shape. So much for those academics, such as Paul Bracken, Kent Calder, and Aaron Friedberg, who once predicted that Asia would be a cauldron of conflict after the Cold War.

More explicitly, he argues (2007: 99) ‘Contrary to the dire warnings issued by many Asia pessimists, China is not eating the United States’ lunch in Asia.’

At the same time, such portraits of accomplishments in Asia mask a number of problems regarding standards and methods. To begin, it is worth recognizing that methodologically many of the positive evaluations above are essentially unfalsifiable. Claiming, for example, that a particular bilateral relationship is ‘intimate’ or that certain positive conditions are the consequence of the Iraq War, are simply impossible to disprove. Secondly, the absence of shooting wars sets a very low standard for evaluating American success or failure in Asia. Nor is there any reason to make realist theories spawned from European historical experiences the template for an analysis of contemporary Asia which shows numerous historical experiences at variance with European-generated balance-of-power theories (e.g. Kang 2003; Mahbubani 2008 *inter alia*). Most significantly, the absence of armed conflict in East Asia began well before Bush took office, as did many of the other ‘positives’ cited by Bush administration defenders. To claim credit for non-changes in Asia is at best a variant of ‘at least we didn’t make things worse’. More to the point, even if things are currently ‘not bad’, it is vital to ask whether the path to the present was pockmarked with avoidable problems and deleterious consequences and to assess how much the applauded conditions were inherited from the Clinton administration, as

compared to changes that can be said to have been due explicitly to actions by the Bush team. This paper will not attempt to analyze these methodological issues, though they are important to bear in mind as one attempts to evaluate much of the praise for Bush policies in Asia.

What this paper does instead is to address three deeper and more serious problems with US–Asia relations at the end of the Bush era. Firstly, by focusing almost exclusively on state-to-state relations and particularly the military dimensions of those ties, these analyses bypass the implications of Bush policies for non-elite opinion concerning the United States and its policies as well as the non-military aspects of America's relations with Asia. The result has been a host of state-to-state problems that fester in specific relationships. Secondly, the positive assessments of Bush's Asia policies virtually ignore analysis of US economic, as opposed to geostrategic and diplomatic, relations with Asia. There, considerable previous influence has evaporated as a consequence of the economic policies pursued by the Bush administration. Third and finally, the state and elite focus of such positive assessments privileges official and bilateral ties at the expense of political interactions across the region as a whole, including the interactions among states in the region. In particular, giving evaluative primacy to America's separate bilateral ties underplays the growing significance of intra-regional ties across Asia and their implications for America's overall regional influence. All of these areas contain stark evidence that US–Asia relations are worse off, rather than better off, since Bush came into office. These show that America's infrastructural position in Asia has been severely corroded through policies pursued by the Bush administration. To appreciate the political reasons for such failures requires explicit attention to the domestic politics of the Bush coalition.

### **The Bush base, a unitary executive, and permanent politicization**

American governance invariably reflects electoral politics. Despite periodic (and often self-serving) claims that American politics should stop at the water's edge, US foreign policy is no exception and there have been numerous examples of severe partisan battles over a wide range of vital foreign policy issues (Nau 2008). Over the postwar years the executive branch has accumulated extensive powers in the structuring of foreign policy, but the saving feature built into the Constitution to prevent excessive partisanship or the unchallenged abuse of power is the system of checks and balances. Congress and the courts, along with a non-partisan civil service, are the main Constitutional balancers, while outside the government the allegedly independent media serve as a watchdog over government.

George W. Bush and the Republican Party in Congress draw their principal support from a very specific tripartite socio-economic coalition. First are pro-defense industry and security hawks supported more generally by voters worried about alleged American strategic vulnerabilities and the

maintenance of a robust military. The second key group revolves around anti-tax ideologues best embodied in Grover Norquist and the Americans for Tax Reform. This core enlists broader voter support from laissez-faire libertarians and those generally worried about 'big government'. The final key constituency involves social conservatives and 'values voters' centered on vast Christian fundamentalist churches and preachers, such as Ralph Reed with his Christian Coalition and James Dobson, head of Focus on the Family. The primary issue driving this last group is opposition to what is perceived to be excessive social liberality and licentiousness in American society as reflected explicitly in abortion and same-sex marriage. These three core constituencies are bolstered by satellite groups and organized interests such as the National Rifle Association; the medical, pharmaceutical and insurance lobbies; a right-wing media empire that includes Fox News and numerous journals and talk radio stations; a host of well-endowed conservative think tanks; and so forth. Disproportionately Southern and Western geographically, the electoral coalition supporting Bush has pulled the Republican Party to the political Right as the result of a series of primary election victories in which moderate candidates and representatives – so-called RINOs (Republicans in Name Only) – have been winnowed from the party, replaced by ever more conservative true believers (Hacker and Pierson 2005).

Central to the foreign policy program of the Bush administration was the melding of classical conservative realists such as Vice President Dick Cheney, Secretary of Defense Donald Rumsfeld, Undersecretary of State John Bolton, and National Security Advisor and later Secretary of State Condoleezza Rice with the more ideologically driven neo-conservatives such as Deputy Secretary of State Paul Wolfowitz, plus his policy associates in the Department of Defense, Douglas Feith and Richard Perle, along with writers in neo-conservative journals such as *Commentary*, the *Weekly Standard*, and *National Review*, such as Norman Podhoretz, William Kristol, Robert Kagan, and Charles Krauthammer (Halper and Clarke 2004).

The bulk of Bush's official foreign policy team – Cheney, Rumsfeld, and Rice – were innately skeptical of previous constraints on American power, and oriented toward defining power largely in military and security terms as opposed to a mix of military power plus economic leverage, public diplomacy, and soft power. Virtually all of these policy-makers shared an equally deep skepticism toward traditional Wilsonian commitments to the rule of law and international institutions. Instead, they placed their faith not in diplomacy, institutions and treaties, but more in strategic power and moral resolve. The result was a combined effort to reinvigorate what they saw as diminished executive power for the White House while reasserting American flexibility in foreign affairs.

Executive power carries with it considerable policy-making autonomy. But foreign policy advocates of a stronger executive were aided by the relatively consistent articulation by administration lawyers of the 'unitary executive theory'. The main advocates of this theory were Vice President Cheney's

Chief of Staff David Addington and Justice Department attorney John Yoo. The theory took a more expansive interpretation of presidential power than that taken by any prior administration. Essentially 'unitary executive theory' contends that in a host of areas, most notably use of military force and related areas, presidential decisions cannot be reviewed by Congress or the courts. This doctrine provided the justification for an elaborate series of signing statements that effectively sought to claim a de facto line item veto of any laws signed by Bush and to reduce the independent powers of Congress, the courts or administrative agencies to challenge presidential interpretations (Mayer 2006).

Consequently, as Hacker and Pierson (2005:1) write, the administration governed from its first days as if it had an unchallenged mandate to carry out its preferred agenda: 'A conservative governing coalition, balanced on a razor's edge of partisan control, had seized the reins of power and was now dramatically [free to remake] the laws of the land.'

A central objective of the Bush administration was fulfillment of the long-term goal of Bush's main political advisor, Karl Rove. Rove sought to forge a positively reinforcing cycle of power between Republican control of office and the promulgation of policies that would in turn generate long-term Republican electoral and governmental dominance similar to that following the election of President McKinley in 1896. Checks on executive policy-making would vanish in the face of a unified Republican majority controlling all three branches of government. Virtually all aspects of Bush policies were thus evaluated through a Rovean electoral lens, with the administration's policy sails trimmed to keep it in what former Bush press secretary Scott McClellan (2008) called 'permanent campaign mode'. Meanwhile, the 'unitary executive theory' staked out constitutional claims designed to legitimate unchallenged rule.

Skeptics of how this combination affected relations with Asia must confront the detailed level of politicized intervention in day-to-day governance. It is now clear that top White House officials had a systematic, if illegal, program of using political and ideological criteria to shape the hiring of allegedly non-partisan career officials in numerous departments, most visibly the Department of Justice (Lichtblau 2008). Less visible, however, was the White House blackballing of a serious Japan scholar to serve as one of five non-partisan academics on the Japan-US Friendship Commission, presumably for having made financial contributions to the Democratic Party. Even more telling was the experience of the CEO of a major American company's office in Japan. Identified in the *New York Times* as an overseas Democrat supporting Kerry during the 2004 presidential election, he received a phone call two days later from his boss at headquarters in the United States. The boss had just received a copy of the *Times* news clipping with the Japan-based executive's name underlined and a marginal entry saying 'What the hell have the Democrats done for [your company] lately?' The sender was Karl Rove.

Conservative columnist Charles Krauthammer (2001: A29) summed up the new foreign policy engine's opportunities and mission as he saw it: 'An unprecedentedly dominant United States ... is in the unique position of being able to fashion its own foreign policy. After a decade of Prometheus playing pygmy, the first task of the new administration is precisely to reassert American freedom of action.' In pursuit of this mission they were bolstered by a pliant Republican Congress. Previously bipolar approaches for policies 'beyond the water's edge' were rejected in favor of governing by the slimmest of majorities, demonizing the opposition, and utilizing foreign policy as an explicit tool of Republican Party enhancement (J. Green 2007; Hacker and Pierson 2005). Among other things it generated devastatingly successful partisan attacks on opponents as 'unpatriotic', 'weak on defense', and 'girly men'.

Key to effecting this agenda was 9/11. When Bush took office his foreign policy experiences and interests were limited. He initially hewed more closely to foreign policy realists and balance-of-power advocates including key advisors in his father's administration such as Brent Scowcroft and James Baker. Condoleezza Rice (2000) laid out much of the early logic for the administration's foreign policy, including an explicit call for 'regime change' in Iraq. Focusing on state-to-state relations and balance-of-power logic also left administration officials, particularly Rice, with a limited appreciation of the potential security challenges from non-state actors (Clarke 2004). But as James Kurth (2006) makes clear, 9/11 changed Bush. Traditional foreign policy realists had historically relied primarily on deterrence and containment as the combination that could deter state actors from unwanted behaviors. The formula worked well against state adversaries who had fixed resources of territory, people, factories and cities that they wished to protect and which the United States could credibly threaten. But how could terrorist attacks by non-state actors and transnational networks that lacked such assets, as did al-Qaeda, be prevented in the future? A state *could be* deterred, but a non-state actor had to be destroyed.

Once the Bush administration accepted such a framing, logic dictated that America would not only have to pursue particular terrorists but to root out the very sources of terrorism, i.e. to 'drain the swamp' in the wording of the neo-conservatives. Following 9/11, top administration officials embraced the emerging policy of preventive war, rendition of suspected terrorists, secret prisons and torture as well as the decision to topple the regime in Iraq despite its lack of ties to 9/11.

This base and its ideological convictions drove policy with a high level of consistency over the eight years of the Bush administration, although the voices for diplomacy and multilateralism were never completely silenced. Nevertheless, most advocates of multilateralism and global coalition building such as Secretary of State Colin Powell were quickly marginalized. Even more marginalized were economic advisors and officials such as Secretary of the Treasury Paul O'Neil and economic advisor Larry Lindsey, both of



whom were fired when their economic advice contradicted the ideological and political demands of the Bush base.

Although Muslim areas in Southeast Asia initially were viewed as a 'second front' in the so-called 'war on terror', for the most part Asia drew minimal top-level attention compared to the Middle East and Central Asia. Nevertheless, in at least three critical areas relations with Asia played out with resounding consequences. The next three sections explore each of these. The first examines the hyper-militarization of American foreign policy and its particular consequences for East Asia, including some serious deficiencies in specific bilateral ties. This is followed by an examination of how economic policies under Bush surrendered a previously powerful tool of American foreign policy influence, reducing American ability to engage the most dynamic aspects of Asian development while creating a domestic constituency resistant to economic globalization and increasingly amenable to protectionism. The final section analyzes the interaction between a rising US unilateralism and a growing East Asian multilateralism and shows how American policies largely ignored recent Asian regional institutions. The cumulative effect is quite different from the portrait sketched by Bush's defenders.

### **The militarization of American foreign policy and the consequences in Asia**

The collapse of the Soviet Union and its Eastern European allies in 1989–90 made America's uncontested military prowess undeniable. American military capabilities now vastly outstrip those of any other single country or plausible combination of countries. In the early years of the twenty-first century the United States is spending about five times more on its military than its next closest competitor, while its total military budget equals roughly that of the rest of the world combined. The United States also possesses numerous capabilities that most other countries lack in anything like proportionate terms: long-range strategic transport, mobile logistics, advanced precision-guided weaponry, stealth technology, and global satellite surveillance and communications systems among others (O'Hanlon 2003: 172).

America's military prowess has been critical to expanding its global influence as well as to the positive resolution of numerous crises and to the maintenance of peace in many tense areas of the world. At the same time, that military prowess has historically been but one component in a more complex and integrated foreign policy mixture that laid simultaneously significant stress on mobilization of the country's economic strengths along with such soft power elements as public diplomacy, educational opportunities and the like. In addition, hard military force and bilateral alliances were integrated with softer multilateral relations, allowing the United States substantial flexibility in its choice of foreign policy instruments. Simultaneously, by tying the United States to certain explicit rules, multilateral institutions

afforded other countries at least putative limitations on American unilateralism (Ikenberry 2001).

### ***Militarization as the preponderant policy tool***

Even though America's military power was unparalleled following the collapse of the Soviet Union, overt exploitation of military force was circumscribed during the first Bush and Clinton administrations by complex and competing global goals, domestic political demands, and the longstanding American embrace of multilateralism (Bush 41 and the START Treaty, the expansion of NATO, the global coalition created to roll back Iraq's invasion of Kuwait, the decision not to topple Saddam, and so forth; Clinton with NATO and the intervention in the Balkans; the signing of the Comprehensive Test Ban Treaty; the creation of KEDO to offset DPRK nuclear ambitions, etc.). Following the Republican takeover of Congress in 1994, partisanship further constrained the application of US military power by the Democratic Party's control of the executive branch, as was shown, for example, in the restrictions on Clinton vis-à-vis the Balkans and Haiti.

The administration of George W. Bush was far less constrained or multilateral. From its first days in office, the Bush administration began redefining US national interests unilaterally, operating from the presumption that the end of the Cold War gave it a unique opportunity to transform the world (Krauthammer 2001; Mann 2004; Soeya 2005: 74 *inter alia*). Following 9/11, the Bush administration moved more explicitly to embrace military methods. The driving logic was threat driven rather than opportunity driven.

In his January 2002 State of the Union address, President Bush declared that the greatest threats to the United States came from three countries, labeled the 'axis of evil': Iran, Iraq, and North Korea. At the time of the speech, Iraq was militarily contained and growing weaker on a daily basis. Iran was important but far from the dominant regional power in the Middle East. The DPRK had shuttered its plutonium plant at Yongbyon since signing the Agreed Framework of 1994, and its plutonium facilities were subject to IAEA monitoring. Importantly, none of the three countries had nuclear weapons although the CIA suspected that the DPRK had produced material for one or two nuclear bombs prior to the 1994 Agreed Framework. Soon after Bush's speech, the situation in all three countries began changing for the worse.

The broad swath of military actions by the United States as well as a diminished reliance on America's non-military assets had a profoundly damaging impact on the country's prestige worldwide. The preemptive war in Iraq; human rights abuses at Abu Ghraib and Guantanamo; explicit use of torture (euphemistically labeled 'enhanced interrogation techniques'); CIA rendition policies and black sites; and administration disdain for multilateral institutions combined to produce a striking decline in the previously positive images of the United States across the world including East Asia (BBC

2007; Pew Global Attitudes Project 2006, 2008 *inter alia* but cf. Whitney and Schambaugh 2008). In a BBC poll from 2005 until 2007, 17,457 people from seventeen countries were interviewed and asked whether the influence of the United States on global matters was largely positive or negative. The negatives outweighed the positives throughout, rising from 50 percent in 2005 to 55 percent in 2007, while those viewing the United States positively fell from 38 percent to 28 percent. Only in 2008 was there a slightly more positive shift: then only 49 percent held negative views while 32 percent held positive images. Across Asia the negatives continually outweighed the positives, in some cases by large margins, in the Philippines, the ROK, Australia and Japan (BBC 2008). Pew polls showed that in Muslim Indonesia the drop in pro-US opinion was from 75 percent to 30 percent over six years, with only a modest recovery in the last two. Even normally pro-American Japan saw a 27-point drop in support over the same eight years.

Cynics may be tempted to dismiss public opinion as largely irrelevant to diplomatic relations, but in increasingly democratic Asia shifts in such public views have been important in changing the character of a range of governments including Taiwan, South Korea, Indonesia, Malaysia, and the Philippines among others. The ROK has seen major foreign policy shifts following electoral shifts and governmental transitions, while Japan in 2008 was facing major constraints on government policy efforts due to the government's loss of a majority in the upper house of parliament. Not all of these are directly the consequence of shifts in public views toward the United States, but those views have been an important backdrop in altered public perceptions of foreign policy objectives and strategies.

The Bush administration also oversaw a major deterioration in popular support across Asia for the so-called 'war on terror' and a corresponding rise in views that America posed the most serious security threat. In Japan, support collapsed from 61 percent in 2002 to 26 percent in 2008. Only about four in ten Indonesians (39 percent) backed the war on terror in 2008, compared with 50 percent the year previously. In China, three times more citizens viewed the US presence in Iraq as a greater threat to world peace than the DPRK (Pew Global Attitudes Project 2006: 14). To the extent that 'global public opinion' is any guide to international legitimacy, such figures underscore just how much US actions under President Bush have dealt a devastating blow to America's standing in global, and Asian, opinion. As Barry Buzan (2008: 5) has phrased it '... the two terms of the Bush administration have asset-stripped half a century of respect for goodwill toward and trust in US leadership'.

### *Deterioration in official relationships*

Such declines at the mass level provide an important contrast to the impression created by concentrating only on relations between US officials and their Asian counterparts. Equally importantly, particularly in light of

the claims of Bush defenders, much of the positive trajectory in US-Asia relations that Bush inherited, along with the high potential for improved ties with Asia when Bush took office in 2001, has been squandered. These problems are apparent at the governmental and political level, rather than simply at the level of public opinion.

Bush supporters contend correctly that bilateral and military US relations with a variety of Asian governments are now broadly positive. Missing from the picture, however, is the tortuous path to the present and the numerous problems that were consequently created or that remain unresolved. For example, the US-Japan relationship improved considerably in the latter years of the Clinton administration, and they remain positive today, but primarily along the military and strategic dimension. The administration's military focus was definitely welcomed by those Japanese officials pushing to strengthen the country's military posture for a decade or more. Yet Japanese shifts to enhance its military actions and its hard security ties with the United States triggered harsh reactions from much of Asia. The move also divided Japanese elites and bolstered the domestic political fortunes of political opposition forces highly critical of US policies (Pempel 2008b).

The SPT have made substantial progress in shutting down the DPRK's plutonium facility at Yongbyon, but only after Bush policies led the North to withdraw from the Nuclear Non-proliferation Treaty (NPT), return to ICBM testing, resume nuclear production, and carry out nuclear tests. As of September 2008 the regime is presumed to hold enough fissile material for perhaps eight to ten weapons (far more than the one or two estimated by the CIA to have been on hand when Bush took office).

The ROK sent 3,500 troops to Iraq and Bush officials applauded the December 2007 election of Lee Myung-bok, a far more conservative and pro-American president than his populist predecessor, Roh Moo-hyun. But US-ROK relations oscillated between tepid and ice-cold for the first six years of the Bush administration; Roh endeavored to shift the ROK from its historically close ties to Japan and the United States to becoming a 'balancer' in Asia; more Koreans now see the United States as a greater threat to peace than the DPRK; and even pro-American president Lee, as the result of his ready accession to heavy-handed US demands to import US beef, was forced to confront massive anti-government demonstrations within months of his inauguration resulting in the resignations of much of his cabinet and top officials.

US-China links have definitely improved since the first year of the Bush administration but it is difficult to claim that they are better than they were when Bush was inaugurated. Intra-administration debates continue over whether China poses a long-term military threat that must be countered by a military buildup in Asia, and whether its monetary and trade policies should be subjected to US sanctions.

How relations reached such a situation is revealing about the power of domestic US politics and the importance of specific choices made by Bush's

team. When the Bush administration took office its Asian policies were informed by classical realist calculations concerning alliances and power balancing. Unlike prior US policies that had been predicated on retaining a power balance across Asia and preventing the emergence of any regional hegemon, however, the Bush policies shifted to explicit pursuit of US primacy and preventing the emergence of any 'peer competitor', unmistakably a worry directed at China. Asia policy was to center on solidifying US ties with Japan, underscoring Japan's role as America's major ally in East Asia, strengthening and expanding its military contributions to the alliance, and moving the bilateral relationship from 'burden sharing' to 'power sharing'. Simultaneously the Bush administration would reverse what it viewed as errant Clinton policies that had treated China as a 'strategic partner'. The Bush strategy pivoted instead on the presumption that China would be America's next major 'strategic competitor'. The outlines of this new policy were most cogently articulated in Condoleezza Rice's January 2000 article in *Foreign Affairs* and in the October 2000 election-year report *The United States and Japan: Advancing Toward a Mature Partnership*, penned by Richard Armitage along with a number of Japan specialists, many of whom joined the administration in 2001 (Armitage and Nye 2000).

American worries about China were crystal clear in Section VIII of the 2002 National Security Strategy (NSS):

a quarter century after beginning the process of shedding the worst features of the Communist legacy, China's leaders have not yet made the next series of fundamental choices about the character of their state. In pursuing advanced military capabilities that can threaten its neighbors in the Asia-Pacific region, China is following an outdated path that, in the end, will hamper its own pursuit of national greatness.

The irony of such a comment by the country whose military budget was equal to that of all the military budgets of the rest of the world combined, seemed to have been missed. China was also explicitly identified as a possible target for US nuclear attack in the 2002 Nuclear Posture Review (Pincus 2002: A-14). The 2006 Quadrennial Defense Review (QDR) further singled out China: 'Of the major and emerging powers, China has the greatest potential to compete militarily with the United States and field disruptive military technologies that could over time offset traditional US military advantages absent US counter strategies' (DOD 2006: 29).

Relations with China got off to a rocky start with the tension-filled collision between a US EP-3 reconnaissance plane and a Chinese fighter in April 2001. Eventually, however, but particularly following 9/11 and the shift in American attention to the Middle East and Central Asia as well as the escalating crisis over DPRK nuclear activities, the administration softened its confrontational stance toward China and weakened ties to Taiwan. No longer was the emphasis on 'strategic competitor' and the United States gradually

enlisted China as a soft ally in its 'war on terror'. In addition, the United States was forced to rely heavily on Chinese leadership for the organization and progress of the SPT. At the same time, Bush's nuclear pact with India put perhaps the final nail in the NPT, while its ballistic missile program and Japan's inclusion in it, expansion of military exercises such as Cobra Gold, support for Australian-Japanese military cooperation and the inclusion of India, New Zealand and Australia in the East Asia Summit were at best thinly veiled efforts to counterbalance China's influence within the region.

Meanwhile, American military linkages to Japan were substantially bolstered while those with the ROK were reduced. These stemmed from the fundamental change in US strategic thinking, a generic overhaul in basing concepts, and the move from a 'threat-based' to 'capabilities-based' military force. America's new doctrines were laid out in the QDR of 2001, the Bush speech at West Point in June 2002 and the NSS of September 2002. Central to the new basing doctrine is the creation and maintenance of selective hubs in bedrock host states, along with 'lily pads' holding pre-positioned equipment to which rapid movement forces could deploy in response to contingencies in geographically less certain locations. Global plans aim to enhance regional and local flexibility (Pempel 2007).

Within East Asia, the new doctrine called for a substantial cut and a repositioning of US forces in the ROK, for the movement of 7,000 American marines from Okinawa to Guam, and for a redefinition of US military relations with Japan. In the ROK, the change will reduce troop levels by about one-third by 2008 and in the process eliminate the American tripwire at the Demilitarized Zone (DMZ), thereby allowing US forces in the ROK to take on tasks beyond the longstanding plans for defending the ROK from an attack from the North. Simultaneously, the United States requested Japan to allow the transfer of military command functions centered on US Army I Corps from Fort Lewis, Washington to Camp Zama in Kanagawa Prefecture. Since the sphere of action of the Army I Corps reaches to the Middle East, that move expands the geographic scope of the US-Japan Security Treaty beyond its stated focus on peace in 'the Far East'. In addition, the headquarters shift gave a powerful push for Japan to shift its defense policy from the longstanding 'collective defense', aimed at protecting the Japanese homeland, to the more activist 'collective security' that would weave Japan more fully into US regional and global strategies (Hughes 2005).

Following 9/11, the United States also pressed Japan to provide tangible support beyond its prior 'checkbook diplomacy'. Prime Minister Koizumi responded enthusiastically. Japan sent ships to the Indian Ocean and troops to Iraq. Those who defend Bush policies as strengthening the bilateral alliance with Japan cite this as evidence of a substantially increased Japanese willingness to deploy its military forces abroad in support of US actions. Nonetheless, as Heginbotham and Samuels (2005: 116) note: 'Japan's military contribution, although more substantive than any in the past, was nevertheless largely symbolic.' In large measure this is because, as James Schoff



(2007: 87) has pointed out, '... America considers itself a nation at war while Japan does not'.

The Japanese government also responded positively to American encouragement to develop a more robust military capability and to integrate its activities more closely with those of the United States. The result included two rounds of military modernization in 1997 and a second in late 2001, a formal dialogue on alliance transformation in May 2007 (US Department of State 2007), and a new emphasis given to power projection, amphibious capabilities, force transformation, and improved command and control (Hughes 2005: 122).

Japan's December 2004 National Defense Planning Outline (NDPO) (later 'guidelines' NDPG) goes further in taking on various new directions in security. Among the most important, China and the DPRK were identified explicitly as potential security concerns to Japan and stress was laid on the country's need to deal with both ballistic missile and guerrilla attacks rather than concentrating on the previously planned-for threat of invasion. Japan's national spy satellite system in outer space was also upgraded, as was the status of the Self-Defense Agency which achieved full ministerial rank on 7 January 2007. Of particular significance, the new NDPG also wove into Japanese strategic thinking explicit cooperation with the United States on ballistic missile defense along with export of technologies developed in that project and enhanced interoperability of weapons systems.

Needless to say, though American military planners were overjoyed by many of these moves, the bulk of them, but particularly missile defense, engendered harsh criticism from China and raised worries across the rest of Asia. Bilateral Japan-China relations had been largely positive since normalization of relations in September 1972. Japan provided some \$35 billion in overseas development aid (ODA) to China and was the first OECD country to end sanctions imposed following Tiananmen. But relations soured as China's economy continued to soar while Japan's stagnated; as Chinese military capabilities underwent rapid modernization; and as Prime Minister Koizumi integrated Japan more closely into the US security agenda and away from Continental Asia.

Chinese leaders also voiced adamant opposition to the US-Japanese agreement to weave Taiwan into their bilateral security planning through the US-Japan Joint Security Consultative Committee (JSC) – also called the 'two plus two' meeting – of February 2005. Equally detrimental were the ongoing visits by Prime Minister Koizumi to the Yasukuni Shrine, visits hardly attributable to the United States but ones which were also never criticized and which were compatible with the rightward shift in Japanese politics applauded by the United States. The cumulative effect was a cessation of summits between the leaders of the two countries for the duration of the Koizumi administration.

China-Japan relations subsequently improved as the consequence of promises by Prime Ministers Abe and Fukuda to refrain from public visits

to Yasukuni, Fukuda's rejection of what China saw as containment policy in the American-inspired pursuit of an 'arc of freedom and prosperity', China's softening in the run-up to the Beijing Olympics, and the exchange of top-level visits that culminated in a five-day visit of President Hu Jintao in May 2008. The result was a genuine bilateral warming, including agreements to cooperate in tough areas such as gas exploration in the East China Sea. But bilateral Japan-China relations remain far more distant than they were when Bush and Koizumi took office, and it remains to be seen whether the warmer climate is longstanding or simply episodic.

US relations with both Koreas deteriorated precipitously during the Bush years. They got off to a dreadful start with Bush's first telephone call to Korean President Kim Dae-jung in February 2001. Despite being given talking points about Kim, Bush demonstrated complete ignorance of Kim's long-standing efforts at democratization and reunification. Thus, when Kim began urging Bush to engage North Korea, the president put his hand over the mouthpiece asking disdainfully: 'Who is this guy! I can't believe how naïve he is!' (Pritchard 2007: 52). Relations worsened during Kim's visit to Washington in March, barely one month into Bush's first term. Spurred by his harder line advisors, most notably Cheney and Rumsfeld, Bush gave vent to open criticism of Kim and his sunshine policy. The administration's hope was that the forthcoming Korean presidential election in December would result in victory for conservative Lee Hui-chang. In fact Bush's open disdain for Kim and the poor handling of the deaths of two Korean children by an American military vehicle all but ensured that Kim would be succeeded by another left-leaning populist anxious to pursue closer ties with the North. Official bilateral ties remained exceptionally rocky for the five years under Roh Moo-hyun (2003–08) (though Bush was admittedly apologetic to Roh in a June 2005 summit for a second injury of a Korean by a US military vehicle). Korean public opinion remained harshly critical of the United States; ROK ties with China warmed while the ROK and the United States were frequently at odds over strategy during the SPT as well as over Roh's policies toward the DPRK more broadly. During a courtesy visit by two top American officials, Roh confided to them that his greatest fear was 'that he would wake up one morning to find that the United States had taken some unilateral action affecting the Korean Peninsula without his knowledge' (Pritchard 2007: 76).

Francis Fukuyama (2005: 77), an early supporter of the Bush administration, states that it clearly misplayed its hand 'by undercutting President Kim Dae Jung's "sunshine" policy of Korean reconciliation – triggering a generational revolt among younger South Koreans against Cold War verities'. He notes further that 'The reflexive gratitude that South Koreans who lived through the war against the North feel toward the United States is simply absent among the younger generation, which, like its German counterpart, grew up in peace and prosperity.'

Bush policies toward North Korea represented by far the administration's most explicit East Asian failure. The Clinton administration had achieved

a freeze on DPRK nuclear activity in 1994 with the signing of the Agreed Framework. This kept the DPRK within the NPT and allowed IAEA inspectors into the country. By the end of the Clinton administration, relations had improved to the point where Secretary of State Albright visited Pyongyang as a prelude to a possible presidential visit and the normalization of bilateral relations. A few days before Bush took office, several members of the Clinton administration visited incoming Secretary of State Colin Powell to brief him on their negotiations with the DPRK. Powell expressed interest and on the eve of Kim's visit Powell told reporters that, on Korean policy, Bush would pick up where Clinton had left off. The White House issued an instant rebuke, making it clear that the new administration would do no such thing. Powell was forced to backtrack, publicly admitting that he had leaned 'a little too far forward on [his] skis'. Bush chose instead to undertake a complete review of American policy toward the North.

Relations with the DPRK spiraled sharply downward when Assistant Secretary of State James Kelly visited Pyongyang in October 2002 presenting an official accusation that the DPRK had begun a covert highly enriched uranium (HEU) program, separate from the shuttered plutonium program under IAEA inspections. The US evidence focused on the DPRK's imports from Pakistan in 1998 of gas centrifuges critical to enriching uranium. What was not clear was whether these represented anything close to the number needed for a weapons-grade enrichment program as opposed to simply a civilian program and whether the tubes were in fact used for HEU production (Harrison 2005: 100–1). Furthermore, intelligence estimates were that even if the DPRK had started an HEU weapons program, it was at least ten years from creating operational weapons. Debate continues concerning the North's response. Kelly claims that the North orally admitted that it had begun an HEU program while the North denies ever having made such an admission. Current leaked information from the SPT suggests that the DPRK might have imported the tubes for an HEU program but had desisted and was using them instead for other purposes. The DPRK went so far as to turn over several tubes to the United States for testing and the United States did find traces of uranium on the tubes – giving support to those claiming an HEU link. But such trace elements are also consistent with claims that they were not being used for an HEU program and there is little evidence that the DPRK has the additional components to carry out a full HEU program. Other countries briefed on the HEU charges have indicated that American evidence is far from convincing and by 2007 the administration was backing off from the boldness of its original charges.

North Korea makes life easy for threat inflators (Samuels 2007: 149). But given the uncertainty of the evidence and the improbability that the DPRK could produce HEU weapons in less than a decade, it was clear that the Bush administration was not interested in discussions or negotiations but in confrontation and the pursuit of regime change. Regardless, the Kelly visit and the claims of an HEU program served as the basis for America's

final break with the Agreed Framework (Cha and Kelly 2008). That in turn precipitated the DPRK's withdrawal from the NPT and IAEA inspections. Matters cascaded downhill in 2002–03 as the North withdrew from the NPT, quickly eliminated IAEA inspectors and restarted its Yongbyon plutonium facility. The United States reacted to the rising tension with, among other things, National Security Presidential Directive 23 (2002) on 16 December 2002, under which Bush formally approved targeting North Korea for 'a new triad [of weapons] composed of long-range conventional and nuclear strike capabilities, missile defenses, and a robust industrial and research development infrastructure'.

Following months of pitched rhetoric and mutual invective, both sides agreed to address the problem through the SPT. Nonetheless, the first four years of the talks saw little substantive negotiation as the United States continued to demand that the DPRK surrender any and all fissile material as a prelude to subsequent discussion about DPRK security or peace on the peninsula, the North's key concerns. The tenor of the American position was made clear when at one point in the talks, Undersecretary of State John Bolton was asked about taking a carrot-and-stick approach to the negotiations. Bolton's now famous reply was: 'I don't do carrots!' (Hayes 2005). In a July 2003 speech on the eve of the SPT aimed at ending North Korea's nuclear program Bolton offered over forty explicitly negative comments about Kim Jong-il (Labott 2005; Stroesel 2003). Vice President Cheney meanwhile rejected China's suggestion that the DPRK be rewarded at each step of the negotiating process, saying: 'We don't negotiate with evil. We defeat it.' Following the 2004 election President Bush and his top aides continued demonizing Kim Jong-il, and Secretary of State-designate Condoleezza Rice in her confirmation hearings called North Korea an 'outpost of evil'. In his State of the Union address the president pledged 'to support democratic movements in the Middle East and beyond, with the ultimate goal of ending tyranny in our world'.

Bombast and invective aside, the United States continued to demand that the DPRK surrender any and all fissile material as a prelude to any discussion. Only after strong pressures from both Japan and China did the United States finally shift its stance, allowing its new negotiator, Christopher Hill, enhanced negotiating latitude. A framework for agreement was reached among the Six Parties on 19 September 2005 but this was followed almost instantly by the US Treasury Department freeze of some \$24 million in DPRK assets in Macau, a move almost certainly engineered by Bush administration opponents of the agreement. Despite strong pressure from China on the United States to release the funds, it was not until after the DPRK had carried out a series of wake-up calls in the form of missile tests in July 2006 and an actual nuclear test in October, and the subsequent Democratic victory in both houses of Congress in November, that the funds were released. Almost simultaneously, the United States further softened its position by engaging in explicitly bilateral talks in Berlin (i.e. outside the

official Six Party framework) during January 2007. Facilitating this American shift was the departure of several of the harder line opponents of negotiation.

The end result, however, was that the DPRK, which was originally suspected of having material for one or two bombs when Bush came into office, but which was also in the NPT and subject to continued inspection of its plutonium facilities, was not testing ICBMs and which looked to be ready to normalize ties with the United States, had by 2008 gained material for six or more bombs, tested a nuclear device, was much further from bilateral normalization and was holding a far stronger nuclear negotiating hand than when Bush took office.

Even this brief sketch of state-to-state relations between the United States and key powers in Northeast Asia makes it clear that the unalloyed praise offered by Bush defenders for America's official state relations demands substantial qualification. Well beyond such problems looms another: with the shadow of failed policies in the Middle East hovering over everything, top Bush officials became largely AWOL in Asia, demonstrating a protracted indifference to the enhanced strategic importance of the region as a new source of economic vitality and as the locus of a new series of institutional arrangements that were slowly weaving the region more closely together.

### **Economic irresponsibility comes home to roost**

Enhancing American global influence through economic prowess was a key element of most pre-Bush administrations. Trade, finance and market access served as powerful geostrategic tools in advancing American interests. Under Clinton in particular, considerable attention was given to internal fiscal balances, the strength of the US currency, and improved bond markets. Good macro-economics was seen as good global politics. Bilateral tax hikes in 1994 proved politically costly to the Democratic Party but they generated a sequence of balanced budgets and a substantial reduction in America's cumulative national debt. Consequently, when the Bush administration took office, it inherited a budget surplus of \$236 billion with a ten-year surplus forecast at \$5.6 trillion. Yet the Bush administration did little to utilize the strong American economy it inherited as a foreign policy tool. Indeed, top-level economic officials such as Treasury Secretary Paul O'Neil and economic advisor Larry Lindsey were quickly marginalized and then fired for their advocacy of cuts in subsidies for agribusiness, an important Republican constituency, as well as for failing to subordinate sound economic advice to priorities for military expansion and tax cuts for wealthy Republican donors. Building the permanent Republican majority through selective tax cuts and targeted subsidies to the base became the driving component of Bush's economic policies. American foreign policy in turn came to be equated with military policy while fiscal and monetary policies were restricted primarily to the tax cuts and small government priorities of key components of

its electoral constituency at home. The result was economic and currency deterioration at home and a dramatic drop in America's economic influence in East Asia.

A series of massive and regressive tax cuts, carefully calculated to provide their greatest benefits to upper income brackets that Bush frequently referred to as his 'base', quickly eliminated the inherited surplus. In reply to Treasury Secretary Paul O'Neill's protests, Vice President Cheney gave a terse and politically revealing reply: 'Reagan proved that deficits don't matter. We won the elections. This is our due' (Suskind 2004, as quoted in Hacker and Pierson 2005: 4-5). When combined with the phenomenal costs of the wars in Iraq and Afghanistan the impact on budgetary policy was devastating. Yet Bush's economic advice to the American public following 9/11 was straightforward: 'Go shopping.' By the end of FY 2008, the annual budget deficit had ballooned to \$482 billion – a figure that ignored the additional \$80 billion in excluded war costs and a jolting shift from the inherited Clinton surplus. In the period between 9/11 and 2008, the federal government debt nearly doubled from \$5.6 trillion to over \$9.5 trillion. Roughly one-third of the current US federal debt was accumulated under the Bush administration (Pelofsky and Lawder 2008; see also [http://mwwhodges.home.att.net/exchange\\_rate.htm](http://mwwhodges.home.att.net/exchange_rate.htm)).

Bush himself was jovially dismissive of the rising deficit. Numerous times at public meetings he offered variants on the same theme 'You know, I was campaigning in Chicago and somebody asked me, is there ever any time where the budget might have to go into deficit? I said only if we were at war or had a national emergency or were in recession. [Laughter.] Little did I realize we'd get the trifecta' (White House 2002).

One result has been a nearly 80 percent decline in the value of the US dollar in relation to the euro and a ballooning of the US governmental debt. Half of that debt is now held by foreign entities, with Japan and China the two largest holders. They have become what Cohen (2006: 43) memorably calls America's Asian Cash Cows. The implications of such massive unfunded governmental spending should have been historically obvious to anyone familiar with American economic policies in the late 1960s and early 1970s. Then a similar political unwillingness to raise taxes to cover the ballooning costs of Great Society spending and the unpopular war in Viet-Nam led to the outflow of American gold reserves, the collapse of the US dollar in global currency markets, and eventually the end of the Bretton Woods system. Within the United States the mismanagement was followed by a decade or more of 'stagflation'.

As the most powerful country in the world and the one most dominant in setting the agenda of the IMF, the United States is unlikely to confront the same fate as debtors such as Mexico, Argentina or Korea, namely intervention and the demand for mandatory fiscal austerity programs. Instead, the Bush policies imported deflation from both China and Japan, with a severe drop in US consumer standards. And while lauding the abstract merits of a

'strong dollar', US Treasury officials have joined Congressional leaders in pressing the Chinese government to increase the value of the yuan, a move designed to make Chinese exports to the United States more costly and 'protect American jobs'. Such a revaluation would, of course, also represent a further de facto devaluation of the US dollar, creating a tremendous financial incentive for Chinese (and Japanese) holders of American debt to offset their holdings of US Treasuries with other investments, thereby making American strategy unsustainable in the long run.

Meanwhile, the weak dollar limits US abilities to capitalize on its purchasing power to shape Asian behaviors and, more significantly, regardless of how this particular relationship eventually plays out, the Bush financial and tax policies weaken the ability of the United States to utilize economic resources to advance its interests in East Asia. In the shorter run, as Ferguson (2006: 48) has put it: '... foreigners are accumulating large claims on the future output of the United States. However the borrowed money is used, whether productively or not, a proportion of the future returns on US investments will end up flowing abroad as dividends or interest payments.'

Bush's economic policies generated at least one other detrimental effect for its relations with Asia. The Clinton presidency saw an average creation of 2.75 million new jobs per year; under Bush that number fell to 393,000 and for the first half of 2008 alone there was actually a net loss of 348,000 jobs. The Bush administration's job-creation record is the worst of any administration in the postwar era. Further and relatedly, the United States has seen an ever-widening gap between rich and poor as well as a decline in a vast array of indicators of economic well-being such as poverty rates and the absence of health insurance (see the Appendix).

The rising job losses and widening class gap dovetailed with one other key aspect of foreign economic policies under the Bush administration, namely free-trade agreements (FTAs). The United States, along with many other countries, began to lose faith in the World Trade Organization (WTO), and eventually the Doha Round of negotiations collapsed completely in August 2008. As part of its securitization of foreign economic policy (Higgott 2004), the Bush administration began to embrace (generally bilateral) FTAs as a next-best fall back. But America's FTA partners were chosen less for their economic and more for their strategic value. Under Trade Representative Robert Zoellick, the United States began a new tack of 'competitive liberalization', which has meant that desperate countries would compete with each other to open their markets to US business in return for handouts from Washington.

US FTAs, however, have been hobbled by the dim economic picture created by Bush's tax and spending policies. Of particular significance for East Asia has been the rising public sentiment in the United States against economic openness and free trade, including the pending FTA with the Republic of Korea (KORUS) and the rising chorus against 'exporting jobs to China'. Americans who have watched a steady deterioration of their living standards over the eight years of Bush's administration have become more

arguments contending that economic globalization means that 'Asians ship their goods to America and America ships your jobs to Asia'. Anti-free-trade sentiment has risen considerably since Bush took office and became an issue in the 2008 presidential campaign. Not surprisingly, the KORUS is unlikely to pass the US Congress in this climate of popular economic anxiety, despite its potential economic and diplomatic benefits to both Korea and the United States (as well as probably to Japan, since its passage would surely pressure Japan toward greater liberalization of its own economy). More importantly, massive demonstrations across Korea followed Lee Myung-bok's renegotiation of the KORUS to placate narrow US beef interests. These were not just targeted narrowly against the FTA but radiated out to include opposition to the United States more broadly.

Finally, the securitization of American economic policies under Bush is reflected in the country's ongoing ambivalence toward China. Of the United States' ten major trading partners, China is the only one that is not a strategic or political ally of the United States. The United States has legitimate concerns regarding possible export of sensitive materials or technology to third countries, possible use by China of technologies for military use and the potential for Chinese espionage through investment in US companies.

Such concerns were palpable in the reaction to the proposed \$18.5 billion effort by Chinese oil conglomerate CNOOC to purchase Unocal in mid-2005. Threats were made to pass bills that would ban the sale and CNOOC eventually withdrew its bid. Two of six CFIUS (Committee on Foreign Investment in the US) investigations between 2000 and 2005 were of proposed Chinese investments; had it gone forward, Unocal purchase by CNOOC would have been another. In addition, the US government has threatened numerous investigations or held preliminary discussions by Chinese authorities with CFIUS officials that have led to decisions by Chinese partners to withdraw their original offer (Graham and Marchick 2006: 102).

The result is an economic anomaly: The United States has long argued for 'free markets' and 'easy movement of capital' but, as Graham and Marchick (2006: 117) put it: '... the United States can not have it both ways. A US policy that encourages investment by American companies in China while frowning upon Chinese investment in the United States is neither sustainable nor sound from an economic standpoint.'

In short, Bush's economic policies set off a downward spiral for the US dollar, triggered a steadily escalating dependence on borrowings from abroad, and spawned a protectionist blowback among those in America most disadvantaged by those policies. The end result has been to eliminate from the US foreign policy toolkit important weapons that had previously been vital in influencing foreign governments across Asia.

### **American unilateralism versus Asian regionalism**

From its first weeks in office the Bush administration presented stark chal-

than half a century of American multilateralism. Backing up its declared intention to wield American hegemonic powers unilaterally, Bush in a joint session of Congress on 21 September 2001 announced to the world (White House 2001): 'Every nation, in every region, now has a decision to make. Either you are with us, or you are with the terrorists.' Rumsfeld followed with a similar comment: 'The mission determines the coalition, and the coalition must not determine the mission' (Tyson 2001). While such posturing enhanced the administration's domestic support, it was a devastating blow to multilateralism and to longstanding friendships.

When it took office early in 2001, and well before 9/11, the Bush administration quickly shucked off any constraints that might otherwise be placed on its actions by international organizations or global treaties. It explicitly renounced a host of both longstanding and new global agreements: the Non-Proliferation Treaty; the Kyoto Accord; the Convention against Small Arms; the Biological Weapons Convention; the Chemical Weapons Convention; the International Court of Justice and many others. In a series of unilateral strategic and foreign policy actions aimed at reshaping the global status quo, the Bush administration engineered a self-conscious and sharp break with the prior fifty years of a predominantly multilateral and status quo oriented US foreign policy (Daadler and Lindsey 2003: 13; Ikenberry 2001).

Jorge Heine (2007: 533) underscores the change:

If for Democrats like Bill Clinton and Al Gore unipolarity meant that the United States had to assume responsibility for the creation and support of international institutions that would lead to an environment more conducive to the exercise of US power, for many Republican leaders ... the international scenario called for a very different approach ... [R]ather than coordinate its policies with other actors on the world stage, what Washington should do was to impose them unilaterally. If others disagreed – too bad, there was not much they would be in a position to do about it anyway.

Or as realist scholar Ken Waltz (2002: 64) puts it: 'George W. Bush has often emphasized our readiness to consult other countries. In his lexicon "consult" has meant that we explain our policies and then implement them whether or not other countries like them.'

The administration's overall anti-institutionalism was reflected in American behavior toward the embryonic East Asian regionalism. In the immediate wake of the Cold War, US strategic goals had been subtly redefined in geo-economic terms. The Clinton administration, in particular, concentrated its focus on advancing the process of globalization and trade liberalization, policies that centered on its underlying conviction that economic growth and closer economic interdependence would go a long way toward reducing the chances of military conflicts. East Asia loomed large in this strategy, with the administration recognizing the region's rapidly rising strategic importance

due largely to its rapid economic growth. As a consequence, Clinton gave considerable emphasis to boosting APEC as a mechanism to tie itself to Asia and to advance the American agenda of trade liberalization.

As noted above, the 9/11 attacks shifted America's geographical focus away from Asia and toward the Middle East and Central Asia. In the process the United States softened its engagement with regional institutions involving Asia. Even Green (2008: 181), a Bush administration NSC official, acknowledges that

the Iraq war has had one important pernicious impact on US interests in Asia: it has consumed US attention in a way that has limited the ability of the administration and Congress to reinforce positive developments in the region and to build on partnerships and institutions that will be critical over the course of this century.

This included APEC. As part of what Higgott (2004) has called the 'securitization' of American foreign economic policy, the Bush administration viewed APEC primarily through a security lens, subordinating economic complexities to military priorities. Beginning with the Shanghai Summit on 21–22 October 2001, the American delegation to APEC pressed continually for statements expressing opposition to terrorism while ignoring the economic issues that were of primary concern to the other participants. As a result, during the first three post-9/11 APEC Summit meetings 'most Asian leaders felt the economic agenda had been hijacked by President Bush to galvanize support against the war on terror in general and support for the military coalition against Iraq in particular' (Higgott 2004: 434). APEC has since been eviscerated as a pan-Pacific regional body (Webber 2001), becoming as Camroux and Okfen (2004: 165) put it: '... just another forum for coalition building in geopolitical terms'.

Senior Bush officials were equally disdainful of the ASEAN Regional Forum (ARF), a body of particular concern to the ten ASEAN countries. In 2005 Secretary of State Rice became the first American holding that office to skip an ARF meeting since its foundation in 1994. Taking their cue from Rice, the foreign ministers of China, India and Japan skipped the meeting or left early (Dillon 2005). Cha (2007: 109), however, contends that such dismissiveness has changed:

Critics, such as the new secretary-general of the Association of South-east Asian Nations, Surin Pitsuwan, contend that the United States' focus on counterterrorism has led to alienation between the United States and ASEAN members, but they are about three years behind the curve. US policy immediately after 9/11 did indeed focus on counterterrorism ... But any serious analyst will notice that more recently the United States has avoided an exclusive focus on counterterrorism and has bolstered its engagement with ASEAN.



Perhaps. The United States has created a US-ASEAN enhanced partnership which among other things pledged support for the ARF 'as the premier regional political and security forum in the Asia-Pacific region with ASEAN as the driving force' (<http://www.whitehouse.gov/news/releases/2005/11/20051117-4.html>), and Secretary of State Rice, facing massive criticism for her absence from ARF in 2005 returned to the table in 2006. But then in 2007 she again skipped the meeting while President Bush postponed the thirtieth anniversary celebrations of the US-ASEAN partnership, hardly indications of either 'enhanced partnership' or the primacy of ASEAN and ARF to America.

Equally telling, Robert Joseph, successor to John Bolton as Undersecretary of State for Arms Control and International Security, explicitly sought to eliminate the longstanding Track II regional institution NEACD (Northeast Asia Security Cooperation Dialogue). NEACD had been holding meetings since 1993 to allow diplomatic officers, military officials and civilians from the United States, Russia, Japan, the ROK, DPRK and China to explore topical security matters in a sufficiently unofficial way as to open up possible new areas for cooperation. Soon after taking office and just as the SPT seemed to be veering into a less confrontational direction, Joseph won an internal bureaucratic battle to 'zero out' NEACD's US budgetary line, arguing among other things that American money should not be used to aid meetings with North Koreans.

As America was reducing its commitment to pan-Pacific regional bodies, the countries of East Asia were moving in the opposite direction by creating a number of new fora, almost all of which excluded the United States from membership. These new regional institutions stem largely from the economic crisis of 1997-98. The crisis revealed that existing institutions such as ASEAN or APEC were feckless in the face of global economic forces and did little to head off the disastrous results of the crisis. The only recourse for the most severely affected countries was to accept an IMF bailout that imposed severe fiscal conditions.

IMF intervention was roundly criticized across Asia. In the wake of the crisis, the governments of Asia began a systematic 'push back' designed to erect a 'firewall' against globalized economics (Higgott 1998; Pempel 2008a, 2008c). New regional institutions, particularly in finance, shifted Asia's existing regional ties from unofficial and open to official and closed - closed most particularly to the United States. Instead, Asian governments moved to enhance and integrate the regional architecture, creating a diversity of new regional bodies including the ASEAN plus Three (APT) process, the Chiang Mai Initiative (CMI), the Asian bond market initiative (ABMI), the Asian Bond Fund (ABF), the Shanghai Cooperation Organization (SCO), the East Asia Summit (EAS) and the SPT, to cite only the most immediate institutional manifestations. Importantly, the memberships of the more recently formed organizations are now typically restricted to 'Asians only' in contrast to earlier pan-Pacific bodies such as APEC and ARF, which have

been largely shunted to the sidelines (and, of course, to the SPT) (Asian Development Bank 2008; Pempel 2005, 2008a, 2008c).

China, once the reluctant regionalist, has been particularly active as a promoter of enhanced regional ties, particularly with Southeast Asia and the ROK but also with Central Asia and its western borders. Edward Friedman (2006: 126) offers an important observation on China's embrace of regionalism: 'Seeing the US block Japan's effort to create an Asian financial mechanism to cushion such crises, the CCP found that regional financial cooperation could stop American democracy. It therefore promoted regional financial cooperation.' A somewhat different emphasis is offered by Thomas Christensen (2006: 18, 83): '... China has been encouraged to improve relations with its neighbors diplomatically and economically at least in part as a hedge against U.S. power and the fear of encirclement by a coalition led by the United States.' Regardless of motivation, China has been an active proponent of the CMI, the Asian bond market, and the APT as well as being exceptionally active in a variety of Track II diplomatic ventures such as CSCAP and NEACD - typically lobbying hard behind the scenes to shape agendas and major conclusions.

Soft power and a 'charm offensive' have facilitated China's regional strategy. Today the Philippines gets four times more aid from China than from the United States and twice as many Indonesians are studying in China as are studying in America (Mahbubani 2008: 231). Trade has also been a key part of China's regional efforts. One of the most symbolically crisp demonstrations of China's ability to enhance its regional influence came when Chinese Prime Minister Zhu Rongji at the China-ASEAN Summit of 2001 proposed and then China quickly signed a comprehensive FTA liberalizing trade in 600 items with ASEAN, including promise of an 'early harvest' opening Chinese markets to agricultural exports from Southeast Asia. With agricultural and fisheries exports so critical to the growth strategies of most countries in Southeast Asia, particularly its newer members, China's move proved particularly adept. ASEAN trade with China jumped almost 60 percent in 2005 over 2004 (Weatherbee 2006: 275).

China's normalization of relations with the ROK led to expanding bilateral economic links there as well. In 1991 China accounted for less than 1 percent of the ROK's trade while the United States accounted for 26 percent. By 2006, China's share was 22 percent while that of the United States had dwindled to 15 percent. China displaced the United States as the ROK's number one trade partner in 2004, and Japan fell to number three.

New Asian regional linkages have not been limited to finance and economics. In two other important instances new security organizations and processes reflect the broad predisposition toward multilateralism in East Asia. The first involves the creation of the East Asia Summit (EAS) which first met in December 2005 with a broad mandate to address issues in dozens of different arenas, including economics, environment, security, education and so forth. Membership was limited to countries willing to sign ASEAN's

Treaty of Amity and Cooperation. The TAC commits signatories to resolve differences through peaceful means. Although EAS membership was broadened beyond the thirteen APT countries to include Australia, India and New Zealand, the United States was explicitly not invited to participate and was unlikely to sign the APT regardless.

A second regional body of note is the Shanghai Cooperation Organization (SCO). Though not part of the East Asian experience per se, the SCO is evidence of the broader push for regionalism in Asia, particularly that of key East Asian powers such as China and Russia. Originally called the Shanghai Five, the SCO formed in the mid-1990s primarily to resolve border and disarmament disputes between China and Russia. In 2001, the organization added Uzbekistan and renamed itself the SCO. The group has since gained in prominence, tackling issues of trade, counterterrorism, and drug trafficking. The SCO was perhaps the first multilateral security organization to be formed with the explicit goal of combating terrorism. Extensive security and military cooperation has taken place among the members of the SCO focused on reducing military forces on the borders of neighboring members and in combating Islamist threats in Central Asia. The SCO has also been quite forceful in opposing the creation of any permanent US military bases in the member countries, thus explicitly challenging the Karshi-Khanabad air base in southern Uzbekistan and the Manas air base just north of Bishkek, Kyrgyzstan. On 5 July 2005 the SCO called on the United States to set a timeline for its withdrawal of military forces from the region.

From a broader perspective on US foreign policy, the SCO is also of interest. Since its formation around six core countries, the SCO has also welcomed a number of countries as observers, including Iran, Turkey, India, Pakistan, Mongolia and Turkmenistan. The SCO has carried out a variety of joint military activities, raising at least the possibility that it might be a Central Asian regional body that could emerge as an 'anti-NATO'. At the August 2007 meeting in the Kyrgyz capital Bishkek, the body reaffirmed its contention that 'Stability and security in Central Asia are best ensured primarily through efforts taken by the nations of the region on the basis of existing regional associations' (Kucera 2007), a distinct alternative to US actions there.

Thus, although focused on Central Asia, the SCO has become part of the broader catalogue of regional institutions reshaping the political and diplomatic power balance in Asia. China is clearly at the center of this process and its regional influence is also apparent in the third important regional body, namely the SPT, a regional body which, of course, includes the United States.

The decision to address the problem of the DPRK's nuclear program through the Six Party process was a signal victory for multilateralism over bilateralism and for negotiation over confrontation, one of the few exceptions to the more general US unilateralism. Substantively, however, it involved a subtle shift away from US leadership in favor of China. Quiet but effective diplomacy and not a small bit of subtle coercion by the PRC

led eventually to the 2007–08 breakthroughs on most outstanding issues. And if the talks eventually succeed in achieving America's goal of DPRK denuclearization, China will be able to claim a significant share of the ensuing plaudits.

It remains, of course, to be seen whether the SPT will in fact resolve the existing problems effectively. But in the interim it is vital to recognize that a regional multilateral process is progressing, however fitfully, toward damping down tensions that might otherwise have flared up into actual military strikes. It is doing so despite the Bush administration's initial reluctance to bargain within the Six Party framework in anything approximating good faith. Clearly, if the SPT are to succeed then the DPRK leadership will have to surrender its nuclear weapons and materials and the most plausible incentive for them to do so would be compelling security guarantees and inclusion in the emerging regional economic networks. Whether or not the North will opt to accept that tradeoff remains uncertain. But to restate an earlier point: the DPRK in 2008 has attained a far more powerful bargaining position than when the Bush administration first took office.

Broadly sketched, then, the record shows that Asian regionalism has been advancing with diminished American involvement, and in many instances, despite overt American indifference and a continued focus on bilateral ties and military alliances. Asian regional bodies in which the United States is a member have declined in influence, partly as a result of the Bush administration's actions. Other newer bodies, largely devoid of American membership, have been created to fill the previous institutional void. A telling anecdote illustrates the situation: following the 2007 ARF meeting that had been skipped by Rice, a senior ASEAN official noted to an American visitor: 'Condi was not at the latest ARF, and you know what was interesting? No one seemed to miss her.'

## Conclusion

Bush administration defenders contend that America's relations with East Asia are in good shape thanks to specific actions by the Bush administration in Asia and elsewhere. If one focuses, as they typically do, on US bilateral and military interactions with specific East Asian countries, their case, while hardly beyond challenge, contains important granules of truth. America's 'hard security' aims are being increasingly accommodated by many Asian governments. US military forces are also finding it easier to conduct joint operations with many of their Asian counterparts. But those are very narrow lenses through which to assess US–Asian relations.

From a broader perspective, as this paper has argued, the Bush administration's policies, both of action and neglect, have led to a devastating decline in America's standing among most Asian publics. Bilateral ties with

Japan have become more mono-dimensional than at any time in the recent past. The ROK, Taiwan, and the ASEAN states, along with their respective priorities, have frequently been treated with cavalier dismissal. Relations with China are schizophrenic, bouncing between cooperation in areas like anti-terrorism, trade and the SPT on the one hand, and confrontation with trade and investment restriction, alliance encirclement and efforts to prevent China's becoming a peer competitor on the other. Perhaps most importantly, the Bush administration badly bungled American relations with the DPRK. As a result it wound up playing a seriously weakened hand with a regime that was outside the IAEA, had conducted a nuclear test, and that has more fissile material than when Bush took office. The DPRK was thus able to play nuclear chicken with devastatingly destabilizing effects across Northeast Asia.

Stepping back further, it is easy to see that the Bush administration's militarization and unilateralization of American foreign policy have left the country as a 'Johnny-one-note', originally loathe, and now no longer able, to utilize the country's powerful economic and cultural attributes as complements to hard-power politics. Fiscal and monetary irresponsibilities, driven by the efforts to reward key segments of the Republican Party, have led to a dramatic decline in the value of the US dollar, massive budgetary deficits, and an unsustainable reliance on foreign borrowing that eviscerated the powerful American economy to which Bush fell heir when he took office.

Finally, US unilateralism and a predominant focus on bilateral relations – the continuation of a longstanding 'hub-and-spoke' approach to Asia – have caused the United States to lose influence in Asia's once important pan-Pacific institutions such as APEC and ARF, while Asian countries have subsequently gone forward on their own to generate a host of new, largely 'Asian only', institutions in which the United States has virtually no influence.

One of America's greatest strengths is that it remains a vibrant democracy with strong popular influence over the choice of its political leaders and over its public policies. As the evidence provided above should make clear, the Bush administration in its approaches to foreign policy generally, and to Asia more specifically, strode out on a path that differed considerably from prior administrations in the depth of its partisanship and the permanent politicization of policy decisions. The Bush policies may not have caused as much havoc for the United States as they generated in many other parts of the world, from the Middle East to 'old Europe', but they have spawned a host of serious problems within East Asia while eviscerating the effective use of American influence within the region on vital non-military affairs. At the same time, because domestic politics has been so centrally at the heart of recent American policies and has generated such negative consequences for US-Asian relations, there is every reason to hope that a new Obama administration will actually begin to roll back some of the most negative policies of the past eight years.

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### Appendix

*Table A1* Comparing the Bush and Clinton presidencies on economics. Change in selected economic indicators (last updated 14 March 2007)

	Change under President	
	Bush	Clinton
Jobs and unemployment		
Non-farm payroll employment	Up 4.9 million jobs 68,000 jobs per month 0.6 percent annual growth	Up 22.7 million jobs 237,000 jobs per month 2.4 percent annual growth
Unemployment rate	Up 0.3 percentage point from 4.2 percent to 4.5 percent	Down 3.1 percentage points from 7.3 percent to 4.2 percent
Number of unemployed	Up 842,000	Down 3.3 million
Economic growth and investment		
Growth in real GDP	2.6 percent per year	3.6 percent per year
Growth in non-residential fixed investment	1 percent per year	9.4 percent per year
Measures of economic well-being		
Real average hourly earnings	Up 3.9 percent 0.6 percent annual growth	Up 6.8 percent 0.8 percent annual growth
Real median household income	Down \$1,273	Up \$5,825
People in poverty	Up 5.4 million	Down 6.4 million
Poverty rate	Up 1.3 percentage points	Down 3.5 percentage points
People without health insurance	Up 6.8 million 1.4 million per year	Up 1.2 million 145,000 per year
Consumer confidence	Down 3 percent	Up 51 percent
Stock market		
Standard and Poor's 500 Index	Up 8 percent	Up 207 percent
Federal budget		
Cumulative deficit or surplus	Deficit of \$1.5 trillion	Surplus of \$62.9 billion
Change in public debt as percentage of GDP	Up 4 percentage points from 33 percent to 37 percent	Down 16.4 percentage points from 49.4 percent to 33 percent

Source: US Congress, Joint Economic Committee, 2007, *Economic Fact Sheet*; accessed at

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