

Policy Forum 06-101: What do the US Mid-Terms Elections Really Mean for East Asia?

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Article by the Singapore Institute for International Affairs (SIIA)

CONTENTS

I. Introduction

II. Article by the Singapore Institute for International Affairs (SIIA)

III. Sources

IV. Nautilus invites your responses

I. Introduction

The *Singapore Institute for International Affairs (SIIA)*, a non-profit, non-governmental organization dedicated to the research, analysis and discussion of regional and international issues, writes, "tackling Southeast Asian health and terrorism problems seems to be the priority. For now,

human right issues are still being brewed in the Congressional Democratic pot."

The views expressed in this article are those of the author and do not necessarily reflect the official policy or position of the Nautilus Institute. Readers should note that Nautilus seeks a diversity of views and opinions on contentious topics in order to identify common ground.

II. Article by the Singapore Institute for International Affairs (SIIA)

- What do the US Mid-Terms Elections Really Mean for East Asia? by the Singapore Institute for International Affairs (SIIA)

This US is like this huge pendulum that swings from one end of global policeman to the other end of protectionism/isolationism which characterized American power before WWII. But most of the time, the pendulum is somewhere in the middle, ready it seems to swing to either side.

This US mid-term election is another one of such pendulum swings. Enough is enough, seems to be the message from the voters to the Bush Administration and the Republican Party. The US has expended over US\$300 billion in Iraq, a civil war is looming to the advantage of the Shiite faction (traditional friends of the Iranian theocratic regime) and 150 000 civilians are reported to have died in this war. And no solution is in sight.

All these while as the US remains preoccupied with the Iraqi quagmire, the US saw its deficit with East Asia ballooning (the largest of which is with China) and its debt skyrocketing while challenged by a nuclear North Korea and a defiant Iran. America also focused its energy and resources on the Middle East as China its partner and rival built up its regional and global influence. China is now the fastest-growing funder of US debt and treasury bonds. US also watched the gradual "normalization" of Japan's military power with support based on partial self-interest of seeing the Japanese defense perimeter as a containment of North Korean power and a boundary market for growing Chinese military power projection.

Regionally, the rise of East Asia is summed up by Mr Kishore Mahbubani, the dean of Singapore's Lee Kuan Yew School of Public Policy, who said that Asia right now 'is the most optimistic place in the world'. It has many reasons to celebrate. Bush II has been great for East Asia. With all its energies consumed by Iraq, the US has had little resources left to tinker with East Asian geopolitics. Thus, Chinese power is left mostly with non-vigorous challenges, not that the US can do much about it while Japanese conservatism is tolerated with courteous support. And human rights as well as trade issues in East Asia have been on the US soft pedal.

What will the introduction of the Democrats' control of the House and Senate mean for East Asia? At the onset, it seems that the US will be tougher on East Asia. The new Democrat leaders have a different tack from Bush in dealing with East Asia. This is where the protectionist sentiments will kick in. Mrs Nancy Pelosi has a hardline stance against China on both economics and human rights while Mr Sherrod Brown, the new senator from Ohio is on a vengeance for a state and its unions/companies that has lost thousands of manufacturing jobs to East Asia. Their probable target? China's record trade surplus with the USA and Southeast Asian sweatshops.

The rest of East Asia, particularly the more economically vulnerable Southeast Asia, fear the repercussions of the Democratic victory. Indonesia's Coordinating Minister for the Economy Boediono expressed the hope that the sweeping Democratic win in the U.S. congressional elections will not result in a shift in the country's trade policies that could be to the detriment of Indonesia. He told the media: "The Democrats are usually concerned with human rights issues, and it will be difficult if they now relate these to economic issues." Some in Indonesia have already advocated pre-

emptively adopting a stronger stance with the Bush Administration to offset any Democratic pressures on human rights issues on the White House. Economist Ichsanuddin Noorsy argues "Indonesia should not feel inferior to or bow down to any U.S. pressure as we also have our own advantages" and "Indonesia should even start flexing its muscles during the upcoming APEC summit in Hanoi on Nov. 18, and not just act as a spectator during the event".

The Jakarta Post editorial on 11 November 2006 also warned of possible rifts with the Democrats: "The rise of the Democrats will also force Southeast Asian countries to look at their human rights and social justice standards. Unlike the Republicans, who are largely pro-business and large corporations, the Democrats are pro-union, and this is likely to affect U.S. policy on labor matters. The Democrats are expected to scrutinize the practices of sweatshops used by international corporations operating the region, as well as strongly rejecting the use of military and police force to shut down industrial action." The editorial see Myanmar and Indonesia as two possible targets of Democratic political wrath: "A hardening of the U.S.'s stance toward the junta in Myanmar is to be expected, with the aim of pushing the country in the path of democracy. The Democrats are also likely to remain critical of the Indonesian military's poor human rights record, despite the restoration of military cooperation between Indonesia and the U.S. last year."

Indonesian fears are not unfounded. Congressional influence is particularly strong on issues of international trade. Free-trade agreements (FTAs), import tariffs and market access must be passed by Congress to take effect and the main fear is Congressional reluctance to extend 'trade promotion authority (TPA)', a device used where the US Congress voluntarily agreed not to subject trade agreements to amendments in exchange for a consultative role during the negotiating process.

The incoming Democratic majority will be much more sceptical and reluctant to approve trade agreements that are covered by the existing TPA and, as a result, FTAs under negotiation with South Korea and Malaysia are now at risk because of this. Congress has also some other economic tools on its table that included a unilateral increase in import duties on Chinese goods and anti-subsidy trade remedies against China and Vietnam. Democratic pressure would also push the White House to conduct more anti-dumping and countervailing duty investigations against other East Asian countries.

Not all in Southeast Asia are as wary as the Indonesians towards the incoming Democrats. Philippines' Arroyo administration is more optimistic about the Congressional change of power. "The strategic partnership of the Philippines and the United States will remain steadfast and firm. These special ties have withstood the test of time, built through the generations," Press Secretary Ignacio Bunye said. The other close US ally echoes the same sentiments. US Secretary of State Condoleezza Rice said: 'We have excellent cooperation in counter-terrorism. Singapore is among the bestIt has the right values and sees terrorism as a threat to free people. We have a similar view on thisWe can't have a better partner than Singapore."

From perspective of the US, unlike the strategically-viewed strength of Northeast Asian, it is aware that Southeast Asia has immense problems with terrorism. 'South-east Asia is a region with an active Al-Qaeda-linked terrorist presence that we are working with partners to defeat,' National Security Adviser Stephen Hadley told the international media. The other priority that the Bush Administration is keen to tackle are the diseases proliferating in Southeast Asia. Hadley: "It is a region where serious transnational health challenges exist, including avian flu, and the US is cooperating with regional nations to control these threats." Tackling Southeast Asian health and terrorism problems seems to be the priority. For now, human right issues are still being brewed in the Congressional Democratic pot.

III. Sources

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IV. Nautilus invites your responses

The Northeast Asia Peace and Security Network invites your responses to this essay. Please send responses to: napsnet-reply@nautilus.org. Responses will be considered for redistribution to the network only if they include the author's name, affiliation, and explicit consent.

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<u>Return to top</u>

<u>back to top</u>

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Nautilus Institute 608 San Miguel Ave., Berkeley, CA 94707-1535 | Phone: (510) 423-0372 | Email: nautilus@nautilus.org