



## Is Obama's Pivot to Asia Aimed at Countering China?

*Nicholas R. Lardy says that Obama's focus on Asia is not directed at China but rather at correcting American indifference to Asian concerns in recent years.*

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Steve Weisman: The new emphasis on Asia by President Obama in his trip to East Asia and the Pacific is being interpreted by some as ganging up on China. Nicholas Lardy, senior fellow at the Peterson Institute for International Economics: do you think that's a fair interpretation?

Nicholas Lardy: I think it's a considerable stretch. The background, of course, is that Asia has been relatively neglected by the previous administration. When President Obama came in, and when Hillary Clinton came in as Secretary of State, they wanted to rebalance things. You may remember that the Secretary's first trip, her first foreign trip, was to Asia. She has wanted to give it more priority. She has been building on that, and I think now we can see the end of our extensive involvement in Afghanistan and Iraq that they're coming back to this theme and highlighting it. So it's not new. I don't think it's directed at China. There's a widespread view in the region that security will be enhanced by a greater US role, so a lot of this is driven on the demand side by the Asian countries themselves.

Steve Weisman: But aren't some Asian countries making this demand because they want a counterbalance against the economic, political, and military power of China?

Nicholas Lardy: I certainly think that's a factor. I think one also has to recognize that the Chinese, particularly last year in 2010, were overplaying their hand in various disputes with Southeast Asian countries.

Steve Weisman: Such as?

Nicholas Lardy: Questions of territorial disputes in South China Sea. They were taking a more aggressive posture. More recently, they've done a mid-course correction and are being more moderate. But I think it did raise some serious questions in the minds of leaders of many of those countries. So, this trip and the pivot to Asia, as it's been described, is in some sense a restoration of the previous status quo in which ASEAN [Association of Southeast Asian Nations] in particular was given a somewhat higher priority. It has been neglected. They're addressing that, and they're going a little bit beyond, obviously, with the enhanced security arrangements. It's not all directed at China, though. We still have problems with North Korea that are quite significant with their nuclear program. That's been the impetus for strengthening of the security relations that the United States has long had with South Korea –

Steve Weisman: And Japan.

Nicholas Lardy: And Japan. And of course, our security relationship with Australia goes way, way back. So there are some adjustments here, but it's not as if we're entering into a new kind of strategic set of alliances in Asia. We're building on alliances of long standing.

Steve Weisman: How do you think this is going to be viewed in Beijing?

Nicholas Lardy: It will be viewed of course in some quarters as a negative. Certainly the PLA [Peoples Liberation Army], which tends to have a somewhat, shall we say, skeptical view of the United States, the Chinese military, will tend to point to this as more evidence that the United States is determined to diminish or thwart the role of China in its rise in terms of global influence. I think at the top of the leadership, there's a better understanding of what's motivating the United States. I think wiser heads will ultimately prevail, and the Chinese will learn to live with this, and it will not be a major negative factor in the bilateral relationship between China and the United States.

Steve Weisman: And so it will not complicate the economic discussions that you follow very closely on currency alignment and economic rebalancing?

Nicholas Lardy: I think we've been pursuing those issues with the Chinese for quite a few years. I think that will continue. To some extent, these things do proceed on separate tracks: the economic on the one hand, and the security on the other. There are linkages, but they're not very explicit.

Steve Weisman: Thank you, Nick.

