



CARNEGIE
ENDOWMENT FOR
INTERNATIONAL PEACE

1779 Massachusetts Avenue, NW

Washington, DC 20036

P +1 202 483 7600 **F** +1 202 483 1840

CarnegieEndowment.org

Evan A. Feigenbaum

Vice President for Studies, Carnegie Endowment for International Peace

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Thank you, Mr. Chairman, Ranking Member, Members.

I’m really very grateful for your invitation.

Of course, quite rightfully, our eyes are focused on what’s happening in Ukraine. But America’s future in Asia is vital to our future in the world. And so, I appreciate so much that you’re holding this briefing.

Now, in my very fast five minutes, I want to say something about the geopolitics of American leadership in Asia—and about American choices.

And that’s mainly to help frame this in a larger context.

The fact is, Asia has changed dramatically—and it changed especially during a critical decade between the Asian financial crisis in 1997-98 and the global financial crisis in 2008.

But the United States, in my view, has not adapted to this change, and we are at some risk, therefore, of losing the plot.

And to put that bluntly, that is because we’ve been treating strategic competition with China, and the ingredients of American leadership in Asia, almost exclusively as a security challenge, and not enough as an economic one.



But for decades after the Second World War, the United States was, in fact, a leader in Asia precisely because it was the principal provider of both security- and economic-related public goods and other benefits.

We kept the peace, yes, through our alliances, our forward-deployed military presence, and our carrier battle groups. But we also enabled prosperity—first, by being the principal source of demand for Asia’s export-led economies to power their way to prosperity, and then also because we were the region’s dominant rule-writer and standard-setter.

And so, for decades, Asia’s security and economic orders were tightly interwoven, with the United States as the key player in both of them.

But this is really no longer the case. What I sometimes call “Security Asia” and “Economic Asia” are increasingly a tale of two Asias. Because while nearly every Asian country is afraid of Chinese power, projection, and coercion, and, therefore, continues to look to the United States as the principal security balance, Asian economies increasingly act as a source of demand, products, capital, and trade for one another.

And so even though America’s economic role is growing in *absolute* terms, it is receding in *relative* terms, which means that, to lead, we should be leaning harder on the other pillar of our economic leadership, which was to be a rule writer and standard setter.

But as you know, precisely the opposite has happened with the American withdrawal, or absence from, for example, the region’s major trade agreements. And while we’re absent from those, China is either a member of, or has applied to join, all of them.

So again, I’ll be blunt:

China poses threats to American security interests, and that’s why reinforcing deterrence needs to be a strategic priority. But if we invest in alliances and partnerships, upgrade access, and modernize weapons platforms, we will remain Asia’s essential security balancer because nearly every Asian country will continue to welcome, directly or indirectly, a robust American balance to China’s growing power.

But as I just told you, American success has been premised not just on being a security provider. And so it matters strategically that Asian economies increasingly drive their own intermediate and final demand; that Intra-Asian trade is eclipsing trade with the United States; that instead of just being producers and exporters, Asians are also consumers and importers; that Asians are capital providers, including to one another, not just recipients; and that economic integration is making the Asia-Pacific relatively more “Asian” and relatively less “Pacific.”

And so we should be rediscovering our role as a standard-setting nation. But somehow, we now manage to find ourselves on the outside of agreements—the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), the Regional Comprehensive Economic Partnership (RCEP), and the Digital Economy Partnership Agreement (DEPA)—that could set standards in Asia for a generation.

And so we’re reinforcing our security role while allowing the economic pillar of our leadership to atrophy. And we risk becoming what I sometimes, tongue in cheek, call the “Hessians” of Asia—in other words, as in our Revolutionary War, a military force, like the Hessians, that others rely on.

But that is not enough, if our economic leadership is going to recede.

And by the way, India is also absent from CPTPP, RCEP, and DEPA. And it hardly makes sense to tout the “Indo-Pacific” as the organizing concept of American strategy and of strategic competition with China if the largest economy in the “Indo,” India, and the largest economy across the “Pacific,” the United States, are both missing in action. In the economic realm, it looks to me like Asia, and not so much the Indo-Pacific, is what, I’m afraid, may increasingly define the future.



So here's a punchline in conclusion:

To compete in geopolitics—as in sports, business, and life—one needs to actually compete. We need to outperform the Chinese competition, not just trash talk it. And that means getting skin in the game, setting standards, shaping rules, and being active, not fantasizing some impossible rewind back to the Asia of 1985 whose defining characteristic was our presumed centrality in every aspect and, frankly, more deference to American preferences than I think we're likely to see even from our allies and partners.

Strategically, it's not enough just to wish.

Thank you.