

NOVEMBER 18-20, 2016

THE SUPERPOWER'S ENDURING PRIORITIES: TRADE, JUSTICE AND THE AMERICAN WAY

— Michael Auslin

A quarter-century ago, basking in the glow of its Cold War victory, America was faced with the question of reshaping its global role in a world no longer divided by an Iron Curtain. Neither the George H.W. Bush nor Bill Clinton administrations came up with a comprehensive new strategy, yet the debates of the time were awash in the optimism unleashed by the fall of the Berlin Wall and the emergence of the United States as the world's 'hyperpower.'

Today, as a new US administration prepares to take office, the same question has returned, with even more urgency. Now, however, instead of the optimism of a country that had triumphed in a decades-long struggle against an implacable enemy, a tired, pessimistic and worried America is grappling with fundamental questions about its commitments and interests abroad.

With US-Russian relations at their worst since the end of the Cold War, the rejection by China of international tribunal rulings and its militarization of the South China Sea, the continued horrors of the Syrian civil war, and the metastasizing threat of both the Islamic State and homegrown lone wolf terrorists, the risks to global stability are reaching crisis proportions.

The recent election pivoted around these worries, driven by Donald Trump's embrace of a reduced, some would argue isolationist, US global role. The rise of populism, in America and across the globe, has revealed the anger and distrust of ordinary citizens with the elites, as well as complicated the formation of the policies needed to strengthen the strained liberal global order.

Most worrying is the move away from support for that post-World War II order. Committed internationalists, whether politically liberal or

conservative, have failed to articulate a compelling argument that trade, political engagement and the active maintenance of stability are paramount to a peaceful and prosperous future.

Sated by their decades-long success, they are letting slip between their fingers the opportunity to preserve this system for another generation.

At the core of that system lies free trade. Far from merely an economic agreement between states, free trade is fundamental to the existence of liberal order. It presupposes the assumption of a clearly articulated rule of law and promotes ever tighter bonds between trading partners, as well as domestic development.

Over time, it leads to domestic liberalization and development, primarily through the expansion of the crucial middle class, and promotes enhanced state relations both regionally and globally. These ties spill over onto political relations, forging an enduring community of interests, itself furthering the development of a liberal community.

From this perspective, the apparently stalled Trans-Pacific Partnership (TPP) represents one of the most important foreign policy choices facing the new administration. That both Donald Trump and Hillary Clinton, along with sizeable numbers of their congressional caucuses, opposed TPP reflects a basic misunderstanding of the long-term benefits of trade.

In Asia, in particular, where the long competition between liberal and authoritarian systems of government continues to rage, the strategic implications of TPP transcend simple economic calculation.

The growth of the Indo-Pacific region, now accounting for over half of the global population and nearly 40 percent of global economic output, has been due largely to ever increasing trade opportunities, abetted by a peaceful security environment.

As Asia shows, free trade is as much about politics as economic exchange. There can be no free trade where the physical conduct of trade is hindered. Similarly, regions with strong free trade regimes are less likely to see old-fashioned competitions for territory or dominance.

That is why the concern over China's expanding militarized presence in the South China Sea is so acute. A threat to freedom of navigation or access to the global commons is a dagger pointed at the heart of trade and political ties alike. For the United States, ratifying TPP is justified by both political and economic interests alike. Perhaps most importantly, engendering a regional liberal order underpinned by free trade is a strategic calculation.

Providing a robust, rules-based order that privileges ever greater exchange in Asia is the best way to ensure that illiberal elements do not become dominant in either political or economic relations.

This is not to ignore real concerns about the short- and medium-term effects of free trade. Ensuring continued trade liberalization unquestionably benefits consumers, yet governments in America and abroad have done too little to encourage entrepreneurialism and help workers transition into new roles as old markets dry up.

Too many workers are allowed to become dependent on government largesse, instead of being helped to find a niche in the new global economy. From this perspective, TPP represents an important pillar of the global order, but only if continued economic liberalization at home is combined with meaningful programs to support and retrain those workers displaced by free trade.

The strategic implications of ratifying TPP, as a means to help build a stronger liberal order in Asia, are among the enduring priorities for the United States, reflecting both its values and its interests in a world increasingly under pressure by illiberal movements.

Michael Auslin, a member of the Halifax International Security Forum Agenda Working Group, is the author of The End of the Asian Century: War, Stagnation, and the Risks to the World's Most Dynamic Region (Yale), which will be released on January 10, 2017.

