



The Changing Geopolitics of Asia: Issues for Congress

Introduction

The 115th Congress has the opportunity to shape the Executive Branch's approach to foreign and security policy, including toward Asia, where shifting geopolitics are posing new challenges for U.S. policy. China is expanding its presence in its near seas, including the East China Sea and the South China Sea, as well as in the Western Pacific and the Indian Ocean. It is also increasing its economic footprint in Southeast Asia and seeking to build economic corridors to its west, across the Eurasian continent. U.S. ally Japan is expanding its own presence in South and Southeast Asia, including pursuing infrastructure projects to boost regional economic connectivity. India, a U.S. strategic partner, is implementing "Look East" and "Act East" policies focused on East and Southeast Asia, even as its intense rivalry with neighboring Pakistan, a close partner of China, continues. North Korea's nuclear and missile threats are, meanwhile, driving re-evaluations of interests and relationships across the region. The tools Congress may use to influence U.S. policy in Asia include hearings and investigations; the Senate confirmation process; the authorizing and appropriations processes; other legislative directives and restrictions; resolutions and policy statements; inspectors general; reporting requirements; program evaluation; and informal advice and pressure.

Asia: Key Facts

- Five of the seven U.S. treaty allies are in Asia: Australia, Japan, the Philippines, South Korea, and Thailand. Over 63,000 U.S. troops are deployed in the region.
- In 2016, five Asian economies were among the top ten U.S. trading partners: China (no. 1), Japan (no. 4), South Korea (no. 6), India (no. 9), and Taiwan (no. 10). India is the world's fastest-growing major economy.
- Asia is home to the United States' nearest competitor in economic size and military strength, China; the world's most populous democracy, India; and the world's most populous Muslim-majority nation and third most populous democracy, Indonesia.
- Asia includes five nations with nuclear weapons programs: China and Russia, both permanent members of the United Nations Security Council; India and Pakistan, which are bitter rivals; and North Korea, which carried out two nuclear tests in 2016 alone.
- Several Asian nations are struggling to defeat Islamist militancy, most prominently Pakistan.
- Asian nations, including U.S. allies, are involved in maritime territorial disputes in at least three major

bodies of water: the South China Sea, the East China Sea, and the Sea of Japan.

Emerging Trends

- The balance of economic power in the region continues to shift. In 2010, China overtook Japan to become the world's second largest economic power in nominal terms. (China became the world's largest economy in purchasing power parity terms in 2014.) By 2030, many economists predict that China will overtake the United States to become the world's largest economy in nominal terms. By the same date, some predict that India might displace Japan for the number three economic spot. The economic and, to a lesser extent, military rise of India exacerbates national security fears in Pakistan and is being monitored warily in Beijing.
- China is increasingly asserting leadership in regional economic and financial initiatives. It is championing its "Belt and Road" initiative, an effort to boost infrastructure development and economic connectivity—and expand China's influence—among more than 65 countries on three continents. The most prominent Belt and Road project, the \$46 billion China-Pakistan Economic Corridor, would give China overland access to the Arabian Sea, allowing some of China's seaborne trade to bypass the Strait of Malacca, the strategic chokepoint that connects the Indian Ocean and the Pacific Ocean via the Andaman Sea and the South China Sea. China is also promoting the Regional Comprehensive Economic Partnership (RCEP), a regional trade agreement that does not include the United States. In 2015, China launched a new multilateral development bank, the Asia Infrastructure Investment Bank (AIIB). The United States is not a member, but 14 of the other G-20 nations are.
- Military spending in the region is rising, with China seeking greater power projection capabilities and other nations seeking to enhance their security relative to China amid questions about the future U.S. role in regional security. China is the world's second-largest spender on defense, after the United States. India joined the top five global defense spenders in 2016, moving into the number four spot, according to IHS Jane's, and has become a major importer of U.S. defense articles.
- Strategic rivalry between China and India appears to be intensifying, perhaps especially in the Indian Ocean region. The world's two most populous states also share the world's longest disputed land border and have divergent views on Pakistan, which enjoys significant support from Beijing, and on Tibet.

- U.S. security partners are moving beyond their traditional bilateral “hub and spokes” relationships with the United States and forging new partnerships with each other, sometimes including the United States and sometimes not. Examples include the Japan-Australia security partnership; regular U.S.-India-Japan naval exercises; and Japan’s provision of naval patrol equipment to the Philippines.
- Since the G-7’s imposition of sanctions on Russia over Russia’s actions in Ukraine, Russia has sought to develop stronger partnerships in Asia. Moscow and Beijing have found common cause in their resistance to the deployment of a U.S. missile defense system in South Korea. Russia is also exploring closer ties with Japan, which is eager to balance China’s growing power, and Pakistan, which is not.

Select Issues for Congress

Trump Administration Policies

President Donald J. Trump has made statements reaffirming the U.S. commitment to alliances with Japan and South Korea. Secretary of Defense Jim Mattis has described Beijing as having “shredded the trust of nations in the region” through its activities in the South China Sea, but stated that “there is no need right now” for military maneuvers. As President-elect, Trump appeared to question the U.S. “one China” policy that has long underpinned relations with China, but as President, he has committed to honoring it. On North Korea, the Administration has announced a policy that “aims to pressure North Korea into dismantling its nuclear, ballistic missile, and proliferation programs by tightening economic sanctions and pursuing diplomatic measures....” On trade, Trump has withdrawn the United States from the Trans-Pacific Partnership (TPP), a free trade agreement concluded among 12 Asia and Pacific nations that was central to the Obama Administration’s “rebalance to Asia” policy. Questions for Congress include whether the Administration’s budget submission supports its strategy, and what role Congress should play in helping to define U.S. goals in the region.

China

In 2016, the Department of Defense began describing China as one of “five major, immediate, evolving challenges” to U.S. national security, the others being Russia, North Korea, Iran, and terrorism. With regard to China’s activities in the South and East China Seas and the Indian Ocean, questions for Congress include whether China is seeking to establish control over strategically and economically important seas, and if so, how the United States should respond. Other questions for Congress include what U.S. policy should be toward RCEP, the AIIB, and the Belt and Road Initiative. Without U.S. primacy in Asia, what would the future political, economic, and security architecture of East Asia look like, and what would be the U.S. place in that architecture? What would be the impact on U.S. defense strategy, plans, programs, and spending?

U.S. Alliances

As a candidate, Trump stated that, “The countries we are defending must pay for the cost of this defense, and if not, the U.S. must be prepared to let these countries defend themselves.” Issues of burden-sharing have yet to be resolved, but an early summit meeting between Trump and Japanese Prime Minister Shinzo Abe may have helped establish rapport between the two leaders. South Korea’s new center-left President Moon Jae-in, elected on May 9, 2017, following his predecessor’s impeachment, has said he hopes to engage with North Korea, a stance that could be at odds with the Trump Administration’s approach. Questions remain about U.S. alliances and partnerships in Asia, particularly with allies Australia and Thailand, partners in Southeast Asia, and Taiwan. Congress could be faced with questions about whether the price tag to protect U.S. security interests in Asia is too high. Should the United States encourage its allies to take a more independent approach to their defense? Should the United States continue to protect Japan and South Korea under its “nuclear umbrella,” traditionally seen as a fundamental tenet of the alliances and a bulwark against the possibility of countries developing their own nuclear weapons?

North Korea

North Korea has accelerated its nuclear weapons and missile programs, testing two nuclear devices and conducting over 20 missile tests in 2016 alone and making strides in mastering the technology necessary to mount a miniaturized nuclear warhead onto an intercontinental ballistic missile capable of reaching the United States. In 2016, the United Nations Security Council passed two new resolutions intended to tighten existing sanctions on the regime, although past attempts did not prevent North Korea from advancing its nuclear program. Issues for Congress include how the United States should respond if North Korea launches another provocation in the near term, and whether cooperation with China to increase economic pressure on North Korea is the best approach to the threat.

South Asia

Questions for Congress related to South Asia include how the U.S. government should engage the fraught India-Pakistan-China strategic triangle. Should Washington seek to “balance” between India and Pakistan and, if so, how? Should recently accelerated development of the U.S.-India “strategic partnership” continue, perhaps to include a new level of defense cooperation and technology sharing? With U.S. troop levels in Afghanistan drastically decreased, should previously fulsome U.S. security assistance continue to flow to Pakistan given considerable congressional frustrations with Islamabad’s counterterrorism efforts? Should the United States undertake new efforts to mediate or otherwise address the India-Pakistan conflict in Kashmir? What approach should the United States take toward South Asia’s smaller littoral states, such as Sri Lanka and Bangladesh, which may increasingly be settings for China-India rivalry in the Indian Ocean region?

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