

The American Strategic Pivot in the Indo-Pacific

Jeanne Milot-Poulin, Rachel Sarfati and Jonathan Paquin

Highlights

- The U.S. pivot to Asia strategy, launched by the Obama administration in 2011, comes in response to the significant structural change represented by China's economic and military rise. This strategy has led to a strategic rebalancing and a shift in U.S. focus in the Middle East.
- The pivot has allowed the United States to increase its presence in the Indo-Pacific and strengthen its level of cooperation with allies in the region. However, there are limitations to this strategy, particularly in terms of funding. At the same time, the pivot has contributed to the deterioration of relations with Beijing, which naturally feels targeted by this strategy.
- Canada, for fear of damaging its relations with China, has not yet announced an official response to the U.S. rebalancing strategy. This has not prevented it from increasing its actions in the Indo-Pacific without displaying them too openly.

Introduction

What assessment can we make of the strategic pivot announced by the Obama administration a decade ago? As a reminder, this pivot - or rebalancing - strategy was a reaction to structural changes in the international order caused by the rise of China, and more generally, of Asia. Ten years later, this Asian pivot is increasingly marked by sharp tensions between the two world powers, testing American allies and highlighting the limits of the American focus on Asia. Canada, for fear of damaging its relations with China, has not yet announced an official response to the U.S. rebalancing strategy. Nevertheless, Canada recognizes the importance of the Indo-Pacific region by quietly making it one of its major strategic and military concerns, as evidenced, for example, by the numerous [deployment efforts of the *Royal Canadian Navy*](#). Even more, Justin Trudeau's Liberal government has [committed](#) to launching an Asia-Pacific strategy, which has been in the development process since April 2019, with the goal to “deepen diplomatic, economic, and defence partnerships in the region.”

Context

In November 2011, Secretary of State Hillary Clinton announced the United States' adoption of the [strategic pivot](#) to Asia. This strategic vision - with the objective of placing “[Asia at the heart of American policy](#)” - was illustrated by a military, economic and diplomatic commitment of the United States with

the aim of increasing its presence and influence within the Indo-Pacific area; but also with the aim of reinforcing its dissuasive force towards China. For Barack Obama and his successors, the Chinese threat is expressed by its dazzling growth: it is now the leading commercial and economic power with nearly [15% of the market share](#), has the second-largest navy and does not hide its ambitions to become the [undisputed leading power by 2049](#). Since this announcement, the United States has pursued its strategy by investing considerable resources in this sensitive area. In particular, the U.S. has [deployed 60% of its navy](#) in the Pacific, thus strengthening its relations with Japan, India and Australia within the framework of the [Quadrilateral Security Dialogue](#) (Quad). In short, the aim is to strengthen the military capabilities of its allies as well as the interoperability between them. However, the term “strategic pivot” was initially used, but was abandoned in favour of “rebalancing” because of its bellicose connotations with regard to China but also because it suggested that the United States would turn away from European and Middle Eastern issues. The 2016 conclusion of the Trans-Pacific Partnership (TPP), a broad free trade agreement involving twelve Pacific states except China, further reflected such “rebalancing” as it signified the evolving trade dimension influenced by the U.S. repositioning.

The strategy of rebalancing in Asia has evolved over the past decade, to say the least. From its modest foundations under the Bush administration, followed by its formal announcement by the Obama administration, it saw a radical setback by Republican Donald Trump, and then a recent reversal initiated by Joe Biden. This strategic back-and-forth has had destabilizing influences towards the American allies, whose reactions have also varied. While the United States' traditional allies, such as Japan, Australia, and South Korea, are almost perfectly aligned with the American rebalancing, the fear of sending a provocative signal to China may lead some to seek greater military and strategic independence. Thus, some states have taken a more neutral stance between two world powers by favouring multilateralism, as the cases of Indonesia and New Zealand demonstrate. Lastly, rival states to the United States, mainly Iran and Russia, see this situation as an opportunity to increase their influence and are moving towards a rapprochement with China in response. The trend among rival states of the United States – mainly Iran and Russia – is towards rapprochement with China, which sees this situation as an opportunity to increase its influence.

Far from being unanimously supported, the American strategy of the pivot has, in the end, produced mixed results, since the initial objectives of the United States do not seem to have been fully achieved. Moreover, this policy has a cost that the U.S. cannot fully afford, therefore requiring a progressive disengagement that is sometimes [contested](#) in other sensitive regions of the world.

The Evolution of American Strategic Repositioning

Although the strategy was introduced by the Obama administration, the U.S. rebalance in Asia is not the work of a single administration, as it was already in place under George W. Bush. At that time, the term used by the republican administration was “shift” to Asia, which implied a desire to increase the military capabilities of allies in the region and to strengthen bilateral interoperability with them. It was in this sense that in 2007, the Bush administration supported a Japanese proposal to create a “quadrilateral” security dialogue (Quad) between the United States, Japan, India, and Australia. The U.S. Navy had also assigned 60 per cent of its [nuclear-powered attack submarine](#) to the Pacific. George W. Bush, however, decided to pause the shift to Asia in order [to avoid provoking China](#), but also because the White House had become entangled in conflicts in Afghanistan and Iraq, which had the effect of diverting Washington's attention from geostrategic transformations in the Indo-Pacific.

Upon Barack Obama's arrival in Washington, sinological experts urged the new administration to increase the U.S. presence in the Indo-Pacific, and the 2010 [National Security Strategy](#) outlined the premises of the pivot strategy. Thus, the reframing of U.S. strategic imperatives under Obama responded to a perceived need to change the U.S. strategic narrative's focus from the Middle East to the Indo-Pacific. The rebalancing towards Asia was also intended to expand U.S. access to foreign markets and bolster a relatively declining U.S. economy in a context where Barack Obama was elected on a platform of getting America out of the Middle East wars.

Upon taking office, Donald Trump advocated a foreign policy in Asia based on a more or less [coherent](#) Free and Open Indo-Pacific Strategy (FOIP). During his presidency, Trump maintained [elements of continuity](#) with his predecessor's rebalancing strategy, recognizing the need to respond firmly to Beijing's destabilizing behaviour. However, instead of relying on a cautious collective strategy like his predecessor, Trump put forward a [rhetoric of confrontation](#) with China and defiance with its allies through the use of sanctions and tariffs. Moreover, following his election promises, he announced, as early as November 2016, the withdrawal of the United States from the Trans-Pacific Partnership, thus [destroying](#) the economic architecture of strategic rebalancing. This decision contradicted the idea of a free and open zone in the Pacific. It affected the credibility of the United States, especially vis-à-vis its allies in the region, since the signatories had themselves taken strategic risks by adhering to Obama's strategy. For example, Japan saw the American withdrawal as a setback that disrupted its [own strategy](#) towards China. On the other hand, China was largely pleased with the decision, which allowed it to impose its own trade standards in the Indo-Pacific region through new free trade treaties, including the [Regional Comprehensive Economic Partnership](#), which includes 15 states and more than two billion people. At the budgetary level, although the 2018 [National Defense Strategy](#) placed the Indo-Pacific region at the heart of the U.S. defence strategy, experts consider that the allocation of resources in the region has been insufficient to achieve U.S. strategic ambitions since the Obama presidency.

The arrival of Joe Biden in office in January 2021 has reshuffled the deck, with Biden setting his sights on [rebuilding relationships with his Pacific allies](#), which were weakened by the Trump administration, while attempting to stop China's financial abuses. Since taking office, it has been clear that Biden subscribes more to Obama's approach than Trump's and [emphasizes U.S. global leadership and engagement](#). The new president expanded the FOIP concept at [the last Quad summit](#) to call for an Indo-Pacific region that is “free, open, inclusive ... [and] anchored by democratic values and unconstrained by coercion.” Biden seeks to rebuild the trust that Trump had broken among allies in the Indo-Pacific region. Indeed, within weeks of taking office, he [spoke by phone](#) with leaders in Japan, South Korea, and Australia, all important U.S. allies in the region. In addition, the first diplomatic visits by members of Biden's foreign policy team were to Asia. Overall, Biden said the U.S. would cooperate with Beijing wherever possible, including on issues such as climate change. However, the United States remains at odds with China's numerous attempts at economic coercion ([see, for example, the conflicts at the World Trade Organization](#)), the many human rights violations attributed to it (recently highlighted by the Chinese Communist Party's [allegations of crimes against humanity](#) against the Uighur people), and all issues related to [intellectual property](#) and, more generally, to [geopolitics](#).

In total, it was estimated that approximately \$66 billion would be invested in the Indo-Pacific region by 2022. More specifically, the Department of Defense's [Pacific Deterrence Initiative](#) includes \$5.1 billion in investments to develop and acquire defence capabilities, improve allied and partner capabilities, and develop advanced technologies. In addition, President Biden's deepening focus to the pivot was confirmed on September 15 with [the announcement of the AUKUS](#), a trilateral defence treaty between Australia, the United Kingdom and the United States. In an effort to counter China, the treaty calls for

the sale of [nuclear-powered submarines](#) to Australia by the United States. The [agreement](#) also provides for the sharing of information, technology and intelligence.

Reactions to the American Rebalancing

Traditional U.S. allies, concerned by China's rise, have mostly embraced the U.S. strategic rebalance since 2011. Japan, for example, views the United States as a key ally on the issue of territorial [sovereignty over the Senkaku Islands](#). The two states have increased their security [cooperation](#) in recent years. In addition, the Free and Open Indo-Pacific (FOIP) language was developed by Japan before being adopted by the United States, reflecting the near-perfect alignment between the two states' policies on the Indo-Pacific issue. [South Korea](#) and [India](#), on the other hand, are more ambivalent about the FOIP language targeting China. As China's more direct neighbours, both states are more reluctant to risk provoking Beijing. However, it can be argued that South Korea and India have aligned themselves with U.S. policy, insofar as both states support increased economic and defence cooperation in the Indo-Pacific region. As for Australia, it sees its alliance with the United States as essential to its security and seeks to deepen it, particularly through the Quad. Moreover, the recent intensification of security cooperation with the United States under the AUKUS agreement, indicates a greater alignment with U.S. policy.

A second trend of “nonalignment” can be observed among states that do not adopt policies aligned with China or the United States. This posture allows them to maintain relations with both rival states, while retaining some autonomy. For example, Indonesia favours [multilateralism](#) to balance the influence of the United States and China. New Zealand, although a member of the Five Eyes, is another country that adopts a non-aligned posture, asserting its independence in foreign policy. [New Zealand's friendly attitude towards China](#) is in contrast to the position taken by other Five Eyes partners, notably Australia, which cancelled certain agreements concluded in the framework of the Belt and Road Initiative.

Conversely, the trend among U.S. rivals is towards rapprochement with China. States that do not have good relations with the United States and are therefore inclined to challenge the U.S.-dominated liberal world order, prefer to side with China in the Sino-American competition. Russia, which has seen its relationship with the West deteriorate since the annexation of Crimea in 2014, has turned to the “[Greater Eurasia](#)” initiative along these lines. This project officially aims to promote Pan-Eurasian integration, but this has been interpreted as a [forced rapprochement](#) with China by Western sanctions against Russia, and, moreover, positively received by China, which is also under Western pressure. Russia's participation in the Belt and Road Initiative, the Asian Infrastructure Investment Bank and especially the Shanghai Cooperation Organization shows Russia's willingness to strengthen its ties with China. Iran is also seeking closer ties with China, which for its part sees Iran as a [necessary part](#) of building the Belt and Road Initiative. In this regard, Iran signed the [25-year strategic cooperation agreement](#) with China in 2021.

The Limits of the Strategy

Ten years after the official announcement of the pivot, experts are not unanimous about this strategy. For some, the benefits of increasing U.S. strategic influence and presence in the Indo-Pacific region are inferior to [the costs](#) of the grand strategy of rebalancing to the Asia-Pacific. The first problem raised by some observers concerns the implementation of the strategy on the ground. The [Budget Control Act](#) of 2011 led to defence budget cuts through 2015, which limited the ability of the Department of Defense to pursue rebalancing. Despite Obama's promise that “budget reductions will not come at the expense of that critical region,” the lack of significant increases in the military budget for the Indo-Pacific region has been enough to [thwart the strategic goals of the pivot](#). Moreover, by shifting its focus from the Middle

East and Europe to Asia, the United States has significantly increased the [vulnerability](#) of these regions. Russian adventurism in Ukraine, the erosion of democracy in some Central and Eastern European states, including Hungary and Poland, and the establishment of a caliphate by the Islamic State in Iraq and Syria are believed to be caused in part by relative U.S. neglect.

Finally, the pivot strategy is accused of sending a hostile signal to China by attempting to [contain it militarily](#). This perception has provoked an even more aggressive response from China, which has asserted its claims in the [South and East China Seas](#) and increased its [coercive actions](#) towards Taiwan. Meanwhile, Beijing continues to close the gap with the United States in military capabilities and its share of global GDP is steadily growing. While significant efforts have been made to expand U.S. influence in the Indo-Pacific, it is not clear that the pivot has achieved its primary objectives in dealing with China. In sum, it is clear that the Americans have had an easier time conceptualizing the pivot than implementing it.

Considerations and Recommendations for Canada

The United States has not made any specific request of Canada with respect to its rebalancing strategy in Asia, and the Canadian government has never issued a [formal response](#) to the American strategy. It must be said that Canada does not have the military means necessary to exert a decisive influence in this region. Canada's exclusion from the AUKUS military agreement last September only further confirmed this fact. Canada has not yet formulated a global strategy in Asia for fear of antagonizing China and aggravating its already tense relations. Indeed, current and pre-existing tensions between the two states have recently been fuelled by the crises of the [Huawei affair](#) and [Canadian citizens imprisoned in China](#).

This has not prevented Canada from [quietly deepening](#) its economic and military ties with its Indo-Pacific allies, including [increasing its participation in joint military exercises](#) with its allies in the region. Canada has also participated in all RIMPAC (Rim of the Pacific Exercise) [exercises](#), and the level of its participation increased significantly in the early 2010s. We recommend that Canada continues to do so. In addition, Canada and the United States have signed the [Canada-U.S. Asia-Pacific Defence Policy Cooperation Framework](#). The two states have agreed to maintain a [strategic dialogue on defence](#), including coordinating their activities and training exercises in Asia-Pacific states. Thus, without making any sweeping announcements, it would be in Canada's interest to pursue its strategic investments in the Indo-Pacific while remaining aware of the limits of its means.

Beyond the military dimension, the Obama administration's announcement of rebalancing has led many Canadian observers to put forward the role that Canada could play in the Indo-Pacific region in the event of an international crisis. The idea is that Canada could contribute effectively to crisis de-escalation by playing a mediating role, where it has important interests. To this end, Canada intends to use its limited resources to “[long-term, consistent, and persistent process of building trust among countries within the region](#).” Canada's desire for diplomatic engagement is reflected in its willingness to become a member of the East Asia Summit and the Defence Ministers' Meeting of the Association of Southeast Asian Nations (ASEAN). However, Canada has struggled to gain membership in these forums, confirming its [lack of presence](#) in the region over the past two decades. We therefore recommend that Canada work to develop deeper partnerships, particularly with ASEAN members, to increase its diplomatic presence in the Indo-Pacific region.