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# RSIS COMMENTARIES

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## **Obama's Second Term Foreign Policy: Nation-Building At Home, More Conciliation Abroad**

By Evan Resnick

### **Synopsis**

*A newly re-elected President Obama possesses substantial political capital with which to make good on his pledge to shift from nation-building abroad to nation-building at home. To fulfill it, the Obama Administration must peacefully resolve simmering disputes with Iran and China by adopting a more conciliatory policy towards both states.*

### **Commentary**

UNITED STATES President Barack Obama begins his second term in office with substantial political capital in the domain of foreign policy. He won re-election over his Republican challenger Mitt Romney by a decisive margin while enjoying a degree of public support on foreign policy that is rare for a Democratic president.

In exit polling on the day of the 2012 presidential election, voters who thought that foreign policy was the most crucial issue in the campaign favoured Obama over Romney by 23%. Similarly, 57% of respondents said they trusted President Obama to handle an international crisis, as opposed to 50% for Romney.

### **The first term: from dove to hawk**

The president's strong public standing on the foreign policy front is to a considerable extent a product of the hawkishness of his first term record. Although Obama entered office intent on constructively engaging America's chief adversaries, by late 2009 his administration had largely supplanted this strategy with a more muscular and confrontational one. Most notably, it dramatically increased drone attacks and special operations raids against suspected terrorists, tripled the US troop presence in Afghanistan, aggressively pursued tightened economic sanctions against North Korea and Iran, participated in a NATO operation to depose Libyan dictator Muammar Gaddafi, and ostentatiously expanded US military cooperation with several countries in the vicinity of China.

Even as the president pursued an increasingly hard-edged foreign policy, he has consistently affirmed that the most pressing national concerns pertain to domestic policy. For instance, in a May 2012 radio address, the president proclaimed that "after more than a decade of war, it is time to focus on nation-building here at home," a refrain which he repeated numerous times during the subsequent presidential campaign.

The president's preoccupation with the country's economic ills is warranted. To date, the recovery of the US

economy from the “Great Recession” of 2008-9 has been anaemic, as the national unemployment rate remains stubbornly high and the housing market shows only the most incipient signs of resuscitation.

These immediate challenges are compounded by a range of deeper structural ones. The most glaring is a massive and growing public debt burden, fuelled by rising entitlement costs that is unsustainable over the long term. As it confronts the debt, however, the US government is also faced with a host of additional economic challenges, including a substantial current-account deficit, a crumbling national infrastructure, an underachieving and resource-starved public education system, and a notoriously wasteful and erratically performing national health care system. The stakes attached to the successful resolution of these various challenges become higher with each passing year, as international economic competition further intensifies and the US share of world production continues to steadily decline.

### **Nation-building at home requires peace abroad**

The Obama Administration runs the risk not merely of inadequately addressing these economic concerns, but also of greatly exacerbating them, if it needlessly stumbles into war in the Persian Gulf or East Asia, where geopolitical tensions are running high. In the former region, Iran continues to defy the international community by enriching uranium and concealing the extent of its prior research relating to nuclear weapons. The Iranian nuclear crisis appears to be nearing a tipping point as tightened international economic sanctions appear to be devastating the Iranian economy and Israeli threats to unilaterally bomb Iran’s nuclear infrastructure are becoming increasingly shrill.

The White House must expend some of its foreign policy capital by lowering military tensions in the Persian Gulf and more aggressively pursuing a negotiated resolution to the crisis. Specifically, it should refrain from additional acts of military and economic coercion towards Iran, publicly declare its refusal to be chain-ganged into a unilateral Israeli attack against Iran, and initiate direct bilateral nuclear talks with Tehran. In these talks, the administration must lower the bar for sanctions relief by permitting Iran to continue enriching uranium to fuel grade levels, provided that Tehran accepts strict IAEA safeguards, and defer its demand that Iran come clean on its past efforts to design a nuclear explosive device.

### **US should defuse tensions with Iran, China**

Meanwhile, in East Asia, maritime disputes between China and its neighbours regarding contested island chains in the South China Sea and East China Sea have become increasingly hostile and contentious. The White House should also use its foreign policy capital to alleviate the security dilemma between Washington and Beijing that lurks in the background of these ongoing disputes and is helping to fuel them.

In concrete terms, it should announce both an indefinite cessation of arms transfers to Taiwan and a moratorium on US surveillance flights within China’s 200-mile Exclusive Economic Zone, and temporarily suspend all joint military exercises in the Asia-Pacific. It must also return to the previous US policy of strict non-intervention in the various maritime sovereignty disputes in East and Southeast Asia, and pressure its regional allies at the centre of those disputes, namely Japan and the Philippines, to cease engaging in coercive diplomacy towards China.

Neither Iran’s uranium enrichment programme nor China’s sovereignty claims over uninhabited islands in East and Southeast Asia represent a grave or imminent threat to US national security. Both Iran and China are militarily weak and economically underdeveloped countries that are almost entirely surrounded by US allies and strategic partners. A precipitate war against either state would roil international financial markets and push America’s already fragile economy and overstretched military to the breaking point.

By contrast, the careful conciliation of both states would reduce the risk of war and facilitate the realisation of negotiated solutions to Iran’s nuclear programme and China’s maritime claims. Even more importantly, it would enable the administration to concentrate on rebuilding the economic sinews of US power in order to confront more severe geopolitical threats in the decades to come.

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