

US to refocus on economics

Global leadership hinges on economic strength, Clinton tells Singapore audience

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After being distracted by two major wars in the last decade, the United States – the world's largest economy – will now shift its focus to putting economics back at the

heart of its foreign policy, to preserve its spot as the global leader.

With the conflict in Iraq over and the US involvement in Afghanistan winding down, the country could now "update" its priorities in foreign policy, US Secretary of State Hillary Clinton told a packed auditorium at the Singapore Management University yesterday.

"We are shaping our foreign policy to account for both the economics of power and the power of economics," she said in a 30-minute speech. "Our global leadership depends on our economic strength."

Strengthening its position

"It would shore up our ability to project economic power around the globe, strengthen our position in the competition of ideas shaping the global marketplace, and remind all nations that we remain a steady and dependable partner. For us, this is a moment to once again prove the resilience of our economic system and reaffirm America's leadership in the world."

MRS HILLARY CLINTON, stressing that it was essential for the US Congress to reach an agreement on the budget

Noting how countries no longer needed a powerful military, but a strong and growing economy in-

stead, to become a major global player, Mrs Clinton said: "For the first time in modern history, na-

tions are becoming major global powers without also becoming global military powers."

Singapore was a prime example, she noted. Trade between the two countries totalled US\$50 billion (S\$61 billion) recently, and even though Singapore had only 1/60 of America's population, it was now its 15th-largest trade partner.

Although Mrs Clinton did not explicitly say so, the refocusing appears to be prompted by the rise of China, whose rapidly expanding economy has pushed it into the No. 2 spot in the world, overtaking Japan. In contrast, the US economy is floundering.

The reorientation also comes as the US moves into a more intense phase of its pivot towards Asia, where many economies are still doing well despite depressed conditions elsewhere.

Expanding on the new direction of US foreign policy, she said that while responding to threats will always be central, it cannot be the only thing. "America has to seize opportunities that will shore up our strength for years to come."

The policy of intensified engagement with the Asia-Pacific region is part of that new thrust. And that includes the visit this week of President Barack Obama to Thailand, Myanmar and Cambodia. "Why is the American President spending all this time in Asia so soon after winning re-election?" Mrs Clinton asked. "Because so much of the history of the 21st century is being written here."

In concrete terms, such efforts include pursuing free trade arrangements like the Trans-Pacific Partnership, and protecting US commercial interests. "In negotiations with China and India on bilateral investment treaties, we are seeking a level playing field between American companies and their competitors, including state-owned enterprises," she said.

As for the US, she gave an assurance that it would resolve its budget crisis and that the deeply divided US Congress would not allow the country to default on its debt. "Let's be clear. The full faith and credit of the United States should never be in question," she said.

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