

THE UNITED STATES AND SOUTHEAST ASIA

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Introduction

The peoples of Southeast Asia are following the 2008 U.S. presidential elections with great attention and admiration, given the open and transparent primary processes. America's real and vibrant democracy is reflected in the competing candidates' travels to every corner of the country to win the hearts and minds of voters. This illustrates that the highest office of the land can neither be secured by wealth nor pedigree and, this year especially, neither race nor gender is an insurmountable obstacle. Consequently, in some parts of the world, including Southeast Asia, anti-Americanism has been balanced by a respect for America's current exercise of democracy.

Confronting a Different World

The 44th president of the United States will inherit a world different from that of his predecessors. After the 1989 fall of the Berlin Wall, during the George H.W. Bush administration, the world made a historic transition from a bipolar to a unipolar one. This, however, was a relatively brief moment in history. By the time President George W. Bush assumed office in January 2001, the world had changed again. A unipolar world had become a multipolar world, with China, India, Russia, Japan – and an enlarged European Union – as new poles. Today, the state of the world is fluid. American scholar Richard Haas has even described it as a

nonpolar one. *Newsweek* Foreign Editor Fareed Zakaria's book, "The Post-American World," postulates that America is not necessarily in decline, but other nations — including China, India, and Russia — are rising. In such a multipolar world, he insists, the United States will no longer dominate the global economy and international politics. This scenario presents the next president with many new challenges. How to rebuild trust in America? How to persuade a world to accept American leadership when America is no longer seen as the hegemonic power? How to revive an American economy threatened by recessionary trends? How to defeat terrorists without causing a new Cold War between the West and the Islamic world? How to promote American prosperity without resorting to protectionist measures in the effort to promote a more open global trading system? How to protect American national interests without abandoning America's historic mission of upholding international law, multilateral institutions, and justice in the world?

How America responds to these challenges will determine its future relations with the Asia-Pacific — particularly China, India, Japan, and the Association of Southeast Asian Nations (ASEAN).

Competing for the President's Attention

Although other nations' powers are growing, this does not change the fact that all regions of the world desire America's attention. The United States has the world's largest economy; serves as a security guarantor not only in Asia, but elsewhere; and its cultural influence resonates to varying degrees in every corner of the globe. Thus, every region of the world wants America's attention; the only question is whether American attention is positive or negative. Washington's nature is to focus attention on the largest countries,

regions, and economies, which can pose a threat to American interest or to international peace and security. By these standards, Southeast Asia — a region largely at peace — does not receive the positive attention it deserves. While the United States may argue that Myanmar (formerly known as Burma) is a toxic influence on the region, Southeast Asia is more at peace than Southeast Europe is. Since the end of the Vietnam War, U.S. attention to Southeast Asia has been episodic rather than consistent, focusing more on security and defense issues. U.S. attention has been less engaged in the dynamics of the region — including economic growth and the development and strengthening of a Southeast Asian regional architecture that is high on the agenda of not only ASEAN, but many Asian nations.

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Why is Southeast Asia Important to the United States?

Since the September 11 terrorist attacks, policymakers in Washington have tended to look at Southeast Asia primarily through the unidimensional lens of terrorism. The United States has had a valid concern about terrorist activities in the region. *Jemaah Islamiyah*, the militant Islamic organization based in Southeast Asia and linked to al-Qaeda, has conducted violent operations in Indonesia and the Philippines, and attempted to set off several bombs in Singapore before being thwarted by local authorities. However, since 2002, ASEAN nations have cooperated fully with the United States and each other in sharing intelligence and apprehending Islamic terrorists in the region. This effort has prevented terrorists from launching any major terrorist attack in the region for the past three years. But, there are even more significant reasons why Southeast Asia is important to U.S. political, economic, and security interests. Southeast Asians hope that the next U.S. president will weigh these factors more heavily in the interest of enhancing American prestige and influence in the region.

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The U.S.-ASEAN economic relationship is substantial, growing, and mutually beneficial. U.S. investment in ASEAN is about US\$100 billion, exceeding U.S. investments in China, Hong Kong, and Taiwan combined. U.S. investment in Southeast Asia earns the highest rate of return in the world at approximately 20

percent. The United States is ASEAN's second-largest trading partner and largest foreign direct investor. ASEAN is America's fifth-largest trading partner and third-largest export market. Few Americans know that Southeast Asia imports twice as many American goods as China does. Two-way trade has grown 40 percent since 2001 and amounts to US\$170 billion. The United States has concluded a free trade agreement (FTA) with Singapore and has attempted to negotiate FTAs with Malaysia and Thailand, while also concluding bilateral trade and investment framework agreements (TIFAs) with other ASEAN countries. In sum, ASEAN is a more important trade and investment partner for the United States than Latin America, Russia, the Middle East, and Africa.

Since the end of World War II, Southeast Asia has regarded the United States as a security guarantor of the Asia-Pacific and welcomes its forward deployed military presence in the region. America's security presence has ensured that Southeast Asia has not been dominated by any one power; a core objective of U.S. security strategy in the region. The United States has bilateral defense treaties with the Philippines and Thailand and both nations have been designated as major non-North Atlantic Treaty Organization (NATO) allies. Singapore allows U.S. air and naval forces access to its facilities. The United States has also expanded its security relationships with Brunei and Malaysia and resumed full military ties with Indonesia in 2005 – after more than a decade of sanctions because of human rights concerns in Timor-Leste, now the world's newest independent nation.

As the world's preeminent naval power, the United States has benefited from the responsible behavior of Indonesia, Malaysia, and Singapore for effectively patrolling the Straits of Malacca and Singapore and their waters in the effort to curb maritime piracy in the region. The free and safe navigation of these sea lanes is critical

to world commerce and energy transport as more than one-third of global trade and 66 percent of the world's oil and liquefied natural gas passes through the Strait. Energy passing through the Strait of Malacca is three times more than what passes through the Suez Canal and 15 times more than what is transported through the Panama Canal. This is the energy lifeline for China, Japan, and South Korea, as more than 80 percent of its oil and natural gas either comes from or passes through Southeast Asia. In September 2007, the three coastal states (Indonesia, Malaysia, Singapore), the United States, and other user states met in Singapore, under the auspices of the United Nations' International Maritime Organization (IMO); and created a cooperative mechanism to further ensure safe, secure, and efficient shipping in the Straits of Malacca and Singapore.

Americans may be surprised that there are far more Muslims living in Southeast Asia than there are in the Middle East. After more than 45 years of authoritarian rule, Indonesia, the world's most populous Muslim country, has transformed itself over the past decade into a fledgling democracy. The military is no longer Indonesia's primary political force and efforts to consolidate its democracy have been strengthened through a series of free and fair elections, and economic, legal, and judicial reforms. Hopefully, further consolidation of such reforms will translate into better governance and concrete improvements in the lives of the Indonesian people. The United States should continue to assist Indonesia in its goals for democratic and good governance. Malaysia has also embraced a level of modernity and democracy. Historically, Islam came to Southeast Asia as a result of voluntary rather than forced conversion. Compared with other regions, Islam in Southeast Asia tends to be more accommodating to other religions. Because of the tolerant manner in which Islam is practiced in Southeast Asia, the United States has a much better

chance of winning the hearts and minds of Muslims in the region than in any other region of the world.

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Although Southeast Asian governments were disappointed when senior U.S. officials, including the secretary of state, did not attend important ASEAN meetings, the Bush administration has made efforts to progressively upgrade U.S.-ASEAN relations. In 2002, the United States proposed the Initiative for ASEAN Enterprise to develop FTAs with each Southeast Asian nation, although the requirements may be too steep for ASEAN's weaker economies to adhere to. In 2005, the joint vision statement on the ASEAN-U.S. Enhanced Partnership was signed to provide development opportunities and deepen political, security, economic, and socio-cultural ties throughout Southeast Asia. In 2006, the United States and ASEAN signed the Trade and Investment Framework Agreement (TIFA) to increase trade and investment between our nations. In September 2007, the U.S. Agency for International Development (USAID) approved a budget of up to US\$150 million in support

of Enhanced Partnership activities. Also in 2007, in a rare display of bi-partisanship, the U.S. Congress, with the support from the Bush administration, adopted legislation to create the new post of U.S. ambassador to ASEAN. Senators Joe Biden (Democrat) and Richard Lugar (Republican), along with other members of the Senate Foreign Relations Committee, should be commended for having taken this initiative. The Bush administration has already appointed an ambassador to this post. The United States is the first Dialogue Partner of ASEAN to have done so and Southeast Asian policymakers are encouraged by this development. Hopefully, the new U.S. ambassador to ASEAN will develop and strengthen U.S. relations with the ASEAN Secretariat and its representatives, including its new Secretary General, Dr. Surin Pitsuwan. The new U.S. administration should be encouraged to post the future U.S. ambassador to ASEAN in Jakarta, where the ASEAN Secretariat is located.

Challenges for U.S.-ASEAN Relations

Despite these positive developments, there is the perception in Southeast Asia that a negative attitude toward ASEAN persists in the United States. A number of U.S. officials regard ASEAN as a talk shop and an ineffectual regional organization. This dismissive attitude is shared by a number of American think-tanks and scholars. This view is mistaken.

Such a perception is due partly to the fact that the United States prefers to deal bilaterally with each ASEAN nation. In one respect, this is understandable because the U.S. enjoys more leverage in bilateral negotiations than in a multilateral setting. The U.S. wants quick results, but multilateral meetings are complicated as diverse nations have diverse interests. Moreover, given the four-year cycle

and overall structure of America's political system, the U.S. does not tend to take a long-term view of policy. Thus, the United States gives the impression that it is not willing to nurture relationships with nascent institutions which may not produce immediate results, and that it is not willing to show its Asian interlocutors respect. For American officials, a meeting may not be worth attending unless it has a concrete deliverable. This could explain the absence of senior U.S. officials from some important ASEAN meetings over the past four years.

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This negative U.S. attitude is also based on an inadequate knowledge of what ASEAN has achieved over the decades and its usefulness to the U.S. There are three examples that can substantiate this point.

First, following the disaster inflicted on Myanmar by the Nargis cyclone, the world was anxious to help, but the rulers of Myanmar were suspicious of the intentions of Western countries. Myanmar generals feared that under the cover of humanitarian relief, some Western countries (particularly the U.S.) had a political agenda, which included regime change. They also felt threatened by European rhetoric, suggesting that, under the doctrine of

responsibility to protect (R2P), aid could be delivered to the victims without the consent of the affected country. The impasse between Myanmar and the international community was overcome by ASEAN. The current chairman of ASEAN, Singapore's Foreign Minister George Yeo, convened a special meeting of ASEAN's foreign ministers on May 19, 2008, which enabled ASEAN to persuade the Government of Myanmar to accept humanitarian assistance, to empower ASEAN to take the lead, and to agree for ASEAN and the United Nations to co-chair a pledging conference in Yangon on May 25th. As a result of ASEAN's initiative, the door was opened and foreign assistance and relief workers started to arrive. While no one will argue the situation in Myanmar is ideal, it is incomparably better than the two-week period after Cyclone Nargis struck, when humanitarian assistance could not reach the 2.5 million people (half who are women and children) in the Irrawaddy Delta.

Washington seems to not understand or appreciate the important role ASEAN plays as the region's facilitator, convenor, and peacemaker. After the Cold War, ASEAN took two thoughtful initiatives. The first initiative was to welcome its three former adversaries — Vietnam, Laos, and Cambodia — into ASEAN; it also invited Myanmar, a county that isolated itself from the world for more than three decades. Many outside the region, particularly Americans, have been critical of ASEAN for including its newest members in the grouping, saying their levels of economic and political development are much lower than the original members. ASEAN, however, believes that by integrating its newer members, it will ultimately strengthen the region and ensure peace, development, and economic prosperity.

The second initiative was much bolder and led to the founding of the ASEAN Regional Forum (ARF), a 26-member security round-

table that, in addition to the ASEAN nations, includes the United States, China, Japan, India, and Russia. Together, all of these nations have a stake in the peace and stability of the Asia-Pacific. Since 1994, ARF has become the principal forum for security dialogue in Asia, complementing various bilateral alliances and dialogues. It provides a setting in which members can discuss regional security issues and develop cooperative measures to enhance and ensure peace and security throughout the Asia-Pacific. While confidence building measures have been set in place, efforts are ongoing to develop the tools of preventive diplomacy and conflict management. The ARF has the potential to become the Asian equivalent of the Organization for Security and Cooperation in Europe (OSCE); but for this to happen, a secretariat for ARF would need to be created.

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The 1997 Asian Financial Crisis taught Asians several valuable lessons. The Thais learned they could not rely on the United States to assist them, as Thailand is less important to the U.S. than, for example, Mexico. For the Japanese, the lesson was that the U.S. and Europe would not permit Japan to launch an Asian monetary fund which could potentially rival the International Monetary Fund (IMF). Finally, Asians throughout the region learned that the fate of Southeast Asia and Northeast Asia is intertwined when the

fall of the Thai *baht* ricocheted northwards and brought down the Korean *won*. This new insight created the ASEAN Plus Three framework and led ASEAN to convene the first ASEAN Plus Three (China, Japan, and Korea) Summit in 1997. The ASEAN Plus Three process has endured and proved to be a very useful forum. It launched the Chiang Mai Initiative, which has brought together the finance ministers and central banks of the 13 countries to promote better surveillance, macro-economic coordination, and currency swaps. Because of ASEAN Plus Three, three Northeast Asian leaders met together for the first time in 1997. At this juncture, ASEAN Plus Three is exploring the feasibility of concluding an ASEAN Plus Three Free Trade Agreement. If this FTA is created, it would represent the world's largest free trade area, comprising a population of two billion (one-third of humanity) and a combined gross national product of \$15 trillion.

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In 2005, ASEAN launched another initiative and convened the first East Asia Summit, involving the leaders of ASEAN Plus Three plus Australia, India, and New Zealand. The logic of this larger grouping is based upon geography and shared interests. It is also

based on the economic logic that, largely driven by the private sector, intra-East Asian trade now constitutes 55 percent of the region's trade with the world. The East Asia Summit is strategically important because, apart from ASEAN, it includes Asia's three major powers: China, India, and Japan. ASEAN's aspiration is to embed them in a cooperative mechanism, thereby reducing misunderstanding and suspicion among them and enhancing the prospects of peace in Asia. The East Asia Summit has recently started to focus on the important issues of energy security, climate change, and environmental sustainability. How Asia addresses these issues and cooperates together in future decades is critical to the development and environmental sustainability of Southeast Asia and the entire Asia-Pacific region. There are many American skeptics who believe that creating an effective East Asian Community is not possible. Time will tell and the process will not materialize overnight. But, an East Asian Community is a natural desire in the region to forge ties and create a stronger regional identity. It would be myopic for the United States to underestimate this desire. If the U.S. takes a narrow perspective on this issue, it stands to lose influence in the region. Many Asian countries share a suspicion that the U.S. does not want to see Asia become integrated. Even if the U.S. is not part of the East Asia Community, it would still be important for the grouping to engage with the U.S. as a dialogue partner. Any discussion about how to solve global challenges — from environmental degradation, energy security, infectious diseases, transnational crime, and natural disasters to trade, finance, and investment — must include the United States. Since the end of the Cold War, much of the world, including Asia, acknowledges that the U.S. is a great power. What Asians are questioning now is whether the U.S. can be an effective leader in an era when other nations are increasing their power and influence in Southeast Asia and elsewhere.

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Other Suitors

The new U.S. president should be aware that Southeast Asia has many suitors besides the United States. ASEAN has already concluded free trade agreements with China, the Republic of Korea and Japan, and is negotiating such agreements with India, Australia, New Zealand, and the European Union. The United States used to be the region's largest trading partner. This distinction now belongs to China.

Recommendations and Conclusions: An Agenda for the Next U.S. President

Over the past few years, the United States has been adjusting to the expectation to act more multilaterally. Multilateralism cannot be a substitute for bilateralism, but multilateralism can complement bilateralism. Together they are far better than the unilateralism pursued by the United States earlier this decade. The next president of the United States has the opportunity to improve and strengthen relations with Southeast Asia by doing the following.

1. America's next president should hold a summit meeting with the leaders of ASEAN. ASEAN has held such summits with

Japan, China, India, and other dialogue partners but not with the United States. Summit meetings may or may not achieve much in substance but they bear a strong political signature. It is a way for the United States to illustrate that it values Southeast Asia and ASEAN as a regional organization.

2. The United States should sign the ASEAN Treaty of Amity and Cooperation (TAC). The TAC contains, *inter alia*, six principles governing relations between states. The principles are based on those in the UN Charter — such as non-interference in the internal affairs of one another, and the peaceful settlement of disputes — and requires consensus in the decisionmaking process. There is nothing in the TAC that the United States has not previously subscribed to. The TAC has been signed by China, Japan, Korea, India, Australia, New Zealand, Russia, France, and the United Kingdom, among others. The U.S. is the odd man out. Ideally, after careful preparation, the TAC could be signed at the first ever U.S.-ASEAN summit.

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3. The United States should be more proactive in nurturing the ASEAN Regional Forum (ARF) and helping it make the necessary transition from confidence building to preventive diplomacy. The United States has recently proposed the idea of developing a standing coordinating mechanism to respond to humanitarian emergencies, such as the tsunami in 2004, the recent cyclone in Myanmar, and the earthquake in China's Sichuan province. This is a good and timely proposal and would enjoy the support of all ARF members. It is hoped that the next U.S. administration will act on this proposal.
4. The U.S. and ASEAN should begin a new dialogue on energy security and climate change. The next U.S. administration and ASEAN should cooperate to bring the Bali roadmap on climate change and greenhouse gas emissions to a successful conclusion. Some of the ASEAN countries are richly endowed with oil and gas resources. They are also home to some of the largest remaining tropical rain forests in the world. It would be greatly appreciated if the United States could support the "Heart of Borneo" project — proposed jointly by Brunei, Indonesia, and Malaysia — which aims to conserve one of the largest remaining tropical rain forests in the world. The United States is the world's largest emitter of greenhouse gases. It has to join the European Union and Japan in agreeing to substantial reductions of its carbon dioxide emissions. ASEAN nations would also benefit if the United States would share its expertise in energy efficiency, clean and renewable energy, carbon capture and sequestration, and other technologies.
5. ASEAN hopes the next U.S. president will uphold America's commitment to globalization, free trade, and international rules. Although the United States is the biggest beneficiary of globalization, there are sections of the American public that are

opposed to and feel threatened by globalization. Asians are concerned by the anti-free trade rhetoric of some of the candidates during the presidential primary. In the last decade, there has been a noticeable retreat by America from its historic commitment to international rules. The global economy would receive a lift if the next administration worked toward a successful conclusion of the Doha Development Round of multilateral trade negotiations under the auspices of the World Trade Organization. It would be very helpful if the U.S. Congress would empower the new president with fast-track authority.

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6. Both the public and private sectors in the United States and Southeast Asia should consider the feasibility of launching a major initiative to help ASEAN countries improve their infrastructure – highways, ports, communication networks, power grids, and other components. This would require action on both sides. On the ASEAN side, domestic laws and policies should be reformed and codified to make it possible and attractive for the U.S. private sector to participate. On the U.S. side, the government should work with the U.S.-ASEAN Business Council, the World Bank, and the Asian Development Bank.

7. The United States and ASEAN should intensify their cooperation in the whole spectrum of non-traditional security challenges, such as Avian Flu, HIV/AIDS, malaria, and other threats to public health; as well as work more closely in combating drugs and human trafficking, maritime piracy, natural disaster and humanitarian emergencies; and promote food security at a time when food prices are soaring and there is a need to double the world's food production over the next 30 years.
 8. The new administration should respond in constructive ways to the rise of Asia, especially China and India. ASEAN would like the United States to continue to deal with China as a responsible stakeholder and not as an adversary; it would also not welcome any attempt by the U.S. to play China and India off against each other.
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ASEAN would like the United States to continue to deal with China as a responsible stakeholder and not as an adversary; it would also not welcome any attempt by the U.S. to play China and India off against each other.

9. America's interests would be better served in Southeast Asia (and elsewhere) if it exercised its public diplomacy more effectively. It was a blunder for America to have downgraded the old U.S. Information Agency (USIA) and the various American centers in Asia to small "American Corners" where Southeast

Asians no can longer interface with representatives of the American diplomatic community — nor scholars, writers, artists, musicians, and other individuals who contribute so richly to American culture and society. We urge the new administration to consider a new program of building cultural, artistic, and intellectual bridges between America and the countries and peoples of Southeast Asia. This should include civil society organizations, women, and young people.

10. The United States and ASEAN should consider establishing a Group of Eminent Persons, to take stock of U.S.-ASEAN relations and to make recommendations for elevating those relations to a higher and more strategic level. The creation of such a grouping could assist greatly in framing the agenda for a U.S.-ASEAN summit and in determining how the United States can sign the Treaty of Amity and Cooperation.

This is a pivotal moment in ASEAN's development as it strives to create a comprehensive regional plan that encompasses economic, social, and political issues for all. It has adopted the ASEAN Economic Community Blueprint which would, by 2015, transform Southeast Asia's 10 national economies into a single market and production base with free flows of good, services, capital, and skilled labor. It has also adopted the ASEAN Charter, which would make ASEAN a more rules-based organization, strengthen its adherence to human rights and democracy, and establish an ASEAN Human Rights Body. No one is denying that the tragic situation in Myanmar is important, but the wider prospects of regional programs should not be held hostage to it. American policymakers should bear in mind that the ASEAN Charter is a milestone, not a destination, in the region's effort to foster peace, stability, development, and economic prosperity.

Americans should also bear in mind that ASEAN, after the European Union, is probably the world's most vibrant regional organization. At a time when America's friendships in the region are questioned due to its policies in Iraq and elsewhere in the Middle East, the United States must think twice about missing opportunities to show Southeast Asians that the U.S. views it more positively than just another front in the war against terrorism. It is important for the United States to become more engaged with ASEAN and Southeast Asians on a broad agenda. The recommendations articulated above can contribute to this effort. If this can be accomplished, the future of U.S.-ASEAN relations will be positive and to the benefit of all.