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# Obama nation?: US foreign policy one year on: playing catch-up: the United States and Southeast Asia

## Report

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# Playing Catch-Up: The United States and Southeast Asia

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Relations between Washington and Southeast Asia have received a strong boost by the incoming administration of President Barack Obama. This follows the perception and at times criticism both in Southeast Asia and Washington that under President Bush the United States did not always pay sufficient attention to the region and strengthen as much as it could have relations with the Association of Southeast Asian Nations (ASEAN).

#### LOOKING BACK: THE BUSH YEARS

When former President George W. Bush was in office, US policy towards Southeast Asia inspired a fair amount of unease. Within the region, for instance, President Bush's distinct initial focus on counterterrorism, especially the notion that Southeast Asia constituted a 'second front' and the war in Iraq, raised serious concerns. After the renewed detention of Nobel Prize laureate Daw Aung San Suu Kyi in May 2003, Washington exerted increasing diplomatic pressure on ASEAN to be more critical of the military regime in Myanmar (Burma). From 2005, US public diplomacy towards ASEAN at certain key junctures seemed to underline the region's persistent weakness but also relative insignificance, raising questions regarding Washington's commitment to Southeast Asia. At issue was above all the decision by President Bush to call off the summit with ASEAN in 2007 due to scheduling difficulties; but there were also two notable absences from ASEAN Regional Forum (ARF) ministerial meetings by former Secretary of State Condoleeza Rice.

That said, the Bush administration was instrumental in launching a number of initiatives, such as the ASEAN Cooperation Plan (2002), the Enterprise for ASEAN Initiative (2002), the ASEAN-U.S. Enhanced Partnership (2006), and the US-ASEAN Trade and Investment Framework Agreement (2006). These initiatives have served to foster regional cooperation in several areas, particularly economic cooperation. In a symbolic move, Washington was also the first ASEAN dialogue partner in April 2008 to appoint an Ambassador to the Association. Bilateral relations with Vietnam, Cambodia and Indonesia significantly improved under President Bush. Still, despite this overall record the Bush administration left four distinct impressions. First, that it had not paid enough attention to Southeast Asia. Second, that its relationship with ASEAN was at least partially hostage to Washington's concerns over Burma/Myanmar. Third, that its preference for bilateralism came at the expense of better multilateral relations with the region. And fourth, that it ceded influence to China in Southeast Asia.

#### THE OBAMA ADMINISTRATION AND ASEAN

In assessing the importance of the ASEAN region, the Obama administration has been guided by a number of factors. Southeast Asia is home to around 600 million people, including approximately 230 million in Indonesia, which boasts the world's largest Muslim population. In global terms, Indonesia is also the third largest democracy and a possible political model for the wider Muslim world. Collectively the ASEAN countries constitute America's fifth largest trading partner (US\$182 billion in 2008). US investments in Southeast Asia total around US\$150 billion, more than combined cumulative figures for China and India. Southeast Asia straddles several strategic waterways, above all the Malacca Strait. There are thus very good reasons for the US to support socio-economic and political development as well as regional stability in Southeast Asia. From a geopolitical perspective, the US has also had to acknowledge that against the backdrop of China's rise relations between Beijing and ASEAN capitals have generally improved significantly, especially since the 1997-8 Asian financial and economic crisis. Finally, some Southeast Asian countries have recently been experiencing considerable political stresses on their respective home fronts and in their bilateral relations, making the region seem more unstable than only some years ago. Washington has decided to respond to these developments and challenges by promoting a coherent and stable ASEAN. This involves strengthening relations at the multilateral level and reinforcing bilateral cooperative relations.

#### **A PROMISING START**

Immediately upon assuming office the Obama administration gave new prominence to relations with ASEAN. Crucial in this regard was the visit to Indonesia in February 2009 by Secretary of State Hillary Clinton. Framed in the context of a new era of diplomacy in the wider Asia, Clinton announced Washington's intention to form a comprehensive partnership with Jakarta for advancing common interests on regional and global issues, including regional security, democracy promotion, trade, and climate change. Moreover, Clinton emphasized that the building partnership with Indonesia was a 'critical step' with respect to the US commitment to 'smart power' - a concept coined in contradistinction to the focus on hard power associated with the preceding Bush administration. She highlighted a new willingness on the part of Washington to listen to Southeast Asia's governments, while also reaching out to their civil societies. Significantly, the Secretary of State paid an unprecedented visit to the ASEAN Secretariat in Jakarta to demonstrate America's commitment to the Association, and held out the possibility of Washington acceding to the Treaty of Amity and Cooperation, Southeast Asia's regional code of conduct. She also admitted to the failure of Washington's policy of sanctions vis-à-vis Myanmar.

In July 2009, with North Korea and the implementation of UN Security Resolution 1874 very much on her mind, Secretary of State Clinton attended the 16th ASEAN Regional Forum. She also signed the instrument of accession to the Treaty of Amity

and Cooperation, announced the intended opening of a US mission to ASEAN, and conducted the first-ever ministerial meeting between the US and the countries of the Lower Mekong (Cambodia, Laos, Vietnam and Thailand). She assured the ASEAN and ARF Chair – Thailand – that Washington was interested in a broader, stronger and deeper relationship with Bangkok. In September, Clinton announced the outcome of the administration's Burma policy review, which led the State Department to embark upon a policy of pragmatic engagement vis-à-vis Myanmar involving a high-level dialogue. In November 2009, when meeting leaders of the other Asia-Pacific Economic Cooperation (APEC) economies in Singapore, President Obama also participated in the inaugural ASEAN-US leaders' meeting. Notably, the President vowed to strengthen US engagement in Southeast Asia both with individual allies and partners and with ASEAN as an institution. The President also indicated a commitment to a further round of leaders' talks in 2010.

#### **SOUTHEAST ASIA'S REACTION**

ASEAN countries have welcomed the Obama administration's decision to engage more deeply with Southeast Asia. In particular, they have celebrated Washington's resolution to upgrade the multilateral relationship with the Association. From a regional perspective, the grouping's ties with Washington now resemble those already forged with other major powers. The US accession to the Treaty of Amity and Cooperation, which has been signed by more than 25 dialogue partners and states friendly with the grouping, has been regarded as particularly important, not least because the latter reinforces ASEAN's preferred norms for interstate relations, including the non-use of force and the principle of non-interference. The US-ASEAN Leaders' Meeting at least puts the US on a par with China, Japan, India and Russia. Also, ASEAN countries have welcomed Washington's decision to no longer let the Burmese tail wag the ASEAN dog in the sense that the perceived need to respond to events in Myanmar is no longer to come at the expense of relations with the Association as a whole.

That said, Obama, self-titulated 'America's first Pacific President', has probably not yet fully convinced sceptics that America's substantive ties with the ASEAN states are set to change significantly. There is as yet no clearly articulated comprehensive strategy toward ASEAN. Moreover, to what extent Washington will henceforth really focus more on Southeast Asia is not certain. President Obama's own November visit to East Asia again highlighted the importance Washington for good reasons attaches to Northeast Asia in so far as the President first visited Japan and - following his attendance at the APEC leaders' meeting – then travelled to China and South Korea. The US security alliance remains at the core of US posture in the Asia-Pacific, and the tasks of managing the rise of China and dealing with North Korea will remain central to US Asia policy. The President was for a while expected to include Indonesia, where he lived as a boy, in his November 2009 itinerary. This visit will now take place this year.

#### CHALLENGES FOR THE OBAMA ADMINISTRATION

The Obama administration has indicated a desire to begin or reinforce cooperation with the ASEAN states in many areas: climate change, economics, trade, education, health, traditional diplomacy and security issues. It has also committed itself to support the establishment of the ASEAN Community by 2015. Deepening cooperation with ASEAN as an organisation is not straightforward, however. There is, for instance, no obvious let alone unequivocally accepted leader within ASEAN that America could ask to shape the Association's ties with Washington. Indeed, ASEAN countries may welcome a benign US role in Southeast Asia, but to some extent some also remain suspicious of American intentions. Member states espouse a range of interests and have to respond to different security and strategic pressures.

The grouping itself faces numerous challenges in the guest to move toward regional integration, including significant political diversity, varying national compliance rates with regionally agreed objectives and a serious socio-economic divide between the early and later members of the Association. For the last two years, ASEAN's cohesion and unity has to some degree also been called into question by what can only be described as extraordinary diplomatic tensions between some members, such as between Thailand and Cambodia. Notably, the ASEAN Charter, ratified in 2008. has brought about some important changes in the grouping's workings, but the powers and role of the ASEAN Secretary-General remain circumscribed and the financial wherewithal made available to the Association by its members continues to be extremely modest.

By strengthening cooperation with the Association, Washington can help the Association to regain some strategic weight, and contribute to regional development and stability. At the same time, the Obama administration may find it difficult to persuade ASEAN to change collective practices or to win new influence. Four examples can illustrate this. For instance, the US has invited members of the newly founded ASEAN Intergovernmental Commission on Human Rights to Washington, but taking into account acute intramural differences within Southeast Asia over its establishment and role, it is far from clear to what extent this step is likely to rapidly yield marked changes in ASEAN's approach to the promotion and protection of human rights.

Secondly, Washington is evidently interested in promoting the idea of a defence dialogue (and related cooperation) with ASEAN in the format of the ASEAN Defence Ministers Meeting-Plus (ADMM-Plus). So far, the ADMM-Plus has not taken off in practice and whether it will soon to do so is not clear. One requirement is that the ADMM-Plus country must have significant interactions with ASEAN defence establishments. This is not yet necessarily true for all ASEAN states, but the issue is that all ASEAN countries do need to endorse ADMM-Plus status. President Obama's wish is also that the US engages with the East Asia Summit more formally. This may be easier to achieve given Washington's recent accession to the Treaty of Amity and Cooperation. That said, ASEAN seems eager to maintain its centrality amid diverse proposals to build a new regional architecture.

Thirdly, while the administration's willingness to embark on the US Lower Mekong Initiative to assist with the development of the Indochinese states in particular is welcomed by the latter, it cannot be taken for granted that such moves will automatically serve other likely US purposes, such as limiting China's presence and influence in this subregion. After all, Beijing has for some time sought to advance cooperation among the main political players of the Greater Mekong Subregion (GMS) and also has high hopes for the Pan Beibu Gulf Economic Cooperation Forum. In addition, China announced in October 2009 the provision of a US\$15 billion loan for the development of infrastructure in the ASEAN region and the establishment of a US\$10 billion China-ASEAN Investment Cooperation Fund, the latter involving a private equity fund to support projects in the areas of infrastructure, energy and construction that are most likely to be relevant to mainland Southeast Asia.

When it comes to further stimulating trade with Southeast Asia, President Obama may have announced that the US will engage the members of the Trans-Pacific Strategic Economic Partnership Agreement (Singapore, New Zealand, Brunei Darussalam, and Chile) in their quest for a model trade agreement, but the US government's enthusiasm for free trade is likely to be hobbled by the economic predicament it still faces. As such, free trade with Southeast Asia beyond what has already been agreed seems a rather distant prospect.

#### **BILATERAL RELATIONS**

A further question is to what extent Washington can easily inject new momentum and substance into relationships with Southeast Asian allies and partners as well as put those with Myanmar on a new footing. As regards Thailand, for instance, the Obama administration seems quite concerned, at least privately, about the domestic political situation in Thailand; yet it sees limits to the extent to which it can be seen to comment on or even influence Thai domestic affairs.

Relations with Indonesia, the only Southeast Asian country represented in the G-20, are likely to move ahead not only in field of financial and economic cooperation, as exemplified for example by the planned return of the US Peace Corps to the archipelago, notwithstanding the longstanding political sensitivities on the matter and the current domestic political context in which the administration of President Yudhoyono finds itself. However, in formulating their comprehensive partnership the two sides will need to bridge apparent differences over core issues such as the details of the future Asia-Pacific architecture, disarmament and proliferation, and the Middle East peace process.

In developing other bilateral relationships, such as the one with Vietnam, the current ASEAN Chair, the US will have to remain sensitive to historical memories and Hanoi's complicated ties with China. That said, the visit to Washington in December 2009 by Vietnamese Minister of Defense General Phung Quang Thanh, who continued the tradition started in 2000 by former US Secretary of Defence William Cohen to pursue reciprocal visits every three years, seems to have set the path for the further expansion of military-military cooperation.

#### **MYANMAR**

The Obama administration has been careful to point out that its objectives towards the military government remain essentially unchanged when compared to those of the Bush administration. President Obama has personally spelled out the precise conditions that Myanmar's military government must meet in order for substantive bilateral relations to change: the release of all political prisoners, including Daw Aung San Suu Kyi; an end to conflicts with minority groups; and a genuine dialogue between the government, the democratic opposition and minority groups on shared vision of the future. Notwithstanding the positive response that the US Burma policy review has elicited in Naypyidaw in 2009, it is far from certain that Washington's embrace of a high-level dialogue will produce the desired results. Myanmar's military leadership has a record of following through with decisions and policies in pursuit of its perceived political-security imperative. It has also made clear that the 2008 Constitution is not to be altered in advance of the elections scheduled for this year. Equally, the military leadership sees no need for the kind of political process seemingly envisioned by Washington though Naypyidaw might hope that the US is able to persuade Daw Aung San Suu Kyi to unambiguously change her public position on sanctions. Thus, while from America's perspective the outcome of the newly instituted high-level dialogue is linked to the military's willingness to accommodate American expectations and the need for some tangible results, Washington is likely to find that the State Peace and Development Council is going to remain disinclined to offer serious concessions unless these are perceived to be in the interest of the regime.

#### CONCLUSION

The first year of the Obama administration has seen Washington expend significant efforts with a view to upgrading relations with the ASEAN countries. However, the region is very diverse both politically and as regards levels of socio-economic development, and this is likely to complicate US efforts to deepen ties. While regional expectations of President Obama remain high, political sensitivities and differences also persist. The symbolically important efforts undertaken hitherto by the Obama administration will need to be complemented in the next three years by further substantive measures if relations with the ASEAN countries are to be propelled to new heights with a view to re-consolidating America's role in the region.