

CURRENT DEVELOPMENTS IN SOUTHEAST ASIA:
IMPLICATIONS FOR U.S.-SOUTHEAST ASIA RELATIONS
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CONFERENCE REPORT: By Haseenah Koyakuttyⁱ

Summary of Findings and Recommendations

The Obama administration has fully invested in Southeast Asia. This could not be clearer. Whether it is signing the Association of Southeast Asian Nations (ASEAN)'s lynchpin non-aggression pact or holding the first-ever U.S.-ASEAN summit in Singapore this week with Myanmar at the table, President Barack Obama can rightly boast he has delivered on his engagement promises one year after his watershed election.

For these “good feelings” to yield concrete dividends, Mr. Obama's leadership at this week's Asia-Pacific Economic Cooperation Summit (APEC) is crucial as it will better determine the quality and direction of future U.S.-Southeast Asia cooperation as power steadily shifts to the East and a regional architecture is being sketched. It is also a time of serious economic re-assessments. Mr. Obama's now- shortened APEC trip is a reminder that a consistency between rhetoric and action is necessary to help build on the momentum for sustainable relations.

In the wake of two wars, the Arab-Israeli peace process and pressing domestic challenges from jobs to healthcare, Southeast Asia presents Mr. Obama with a tantalizing opportunity to actualize “change”, such as rapprochement with Muslims and joint climate change research that can contribute to America's energy-efficient drive. Better disaster-management cooperation can further impact people-to-people ties.

The administration could also pay more heed to the unprecedented forces of reform that are sweeping over the region. It should not wait for ASEAN to deliver results to find common ground. The alternative

is more on-off relations, as was the case in the past and is undoubtedly in nobody's interest.

I) Southeast Asia: “A Messy Region and Balkans of the East”

State of Play in Southeast Asia and its Changing Strategic Landscape

BANGKOK – “There’s a backlog of 5,000 cases!” muttered a conference participant from one of the world’s youngest nations over breakfast recently. A group of 18 Southeast Asians and eight American emerging leaders had gathered in Singapore under an Asia Foundation project to consider ways to broaden American engagement with Southeast Asia in the Obama era.

Earlier this year, the U.S. State Department had released a report on Timor Leste stating that “the shortage of qualified prosecutors and technical staff in the office of the prosecutor general hampered its work and resulted in a large case backlog (5,400 cases).” However, the Timorese present at the Singapore conference blamed the lack of justice in Timor Leste specifically on the time-consuming translation of court documents.

Timor Leste adopted two official languages – the native Tetum and Portuguese – and two working languages – Bahasa Indonesia and English – soon after it won independence from Indonesia in 2002. The Timorese participants reckoned English was still widely preferred by the community over the official Portuguese that, they say, is the tongue of the nation’s founders.

English is taught in high schools, was the rejoinder by President Ramos Horta, whom I interviewed separately in Bangkok when he was in town in January to open Timor Leste’s latest embassy. He dismissed the idea that English was essential for Timor Leste to leap into the twenty-first century: “Is Liberia in the twenty-first century? Is Malawi, Papua New Guinea? They’ve been using English for the past 50 years, a hundred years, what difference did English make to them? Philippines is hugely English-speaking and is Singapore

(which has also adopted four official languages – English, Malay, Mandarin, Tamil, with English as its first language) successful because of English? English is important nowadays as a tool to access science and technology. English is not a miraculous instrument to access medicine, to access literature – I read French and Spanish literature.”

While it is lobbying to join, Timor Leste is not a member of the regional bloc, the Association of Southeast Asian Nations (ASEAN). But its political, economic, cultural and generational predicaments demonstrate vividly the patchwork that is ASEAN, a vastly diverse and fragmented polity of nearly 600 million people. It is what the historian and Asia scholar Professor Wang Gungwu dubbed an inconceivable “Balkans of the East,” which at its inception in 1967 coalesced out of strategic and ideological necessity.

ASEAN’s diversity and fragmentation can be extreme. Timor Leste and Singapore are both small states and yet they are worlds apart – Timor Leste is poor but not impoverished and isolated like Myanmar, which is the second largest state in ASEAN. Timor Leste has huge foreign reserves, more than 4 billion dollars in U.S. treasury bonds, an active parliament and other institutions that are struggling to emerge, like the justice sector.

Singapore, despite its small size, is stepping up to Asia’s regional challenges, including in Afghanistan. A U.S. administration official who addressed the participants observed: “(Singapore) has already deployed a military construction engineering team, multiple medical teams, and a weapons locating radar in support of the International Security Assistance Force, with plans to send a KC-135 air refueling craft later this year. In civil society initiatives this year, Singapore co-sponsored a course for Afghan Transport Ministry officials aimed at improving civil aviation safety, and hosted an anti-corruption study tour for officials from Afghanistan’s High Office of Oversight. Singapore makes a very important international contribution and maybe hasn’t gotten the full recognition it deserves.”

Soon after a massive earthquake hit Padang in West Sumatra on September 30, which killed 1100 people (a few of the conference participants felt the tremors in Singapore), the Singapore Armed Forces offered to construct two medical clinics in Padang to be handed over to the Indonesians to run. It is not the city-state's first contribution and unlikely to be the last as the region looks increasingly to Singapore for capacity-building commensurate with its know-how and power.

The status quo, however, is changing. Indonesia, the world's third largest democracy, may replace America's treaty allies Thailand and the Philippines as the beacon of democratic values in the region. President Susilo Bambang Yudhoyono's recent second-term electoral home-run underscored the strategic shift and heft to an archipelago that also has the world's largest Muslim population. Some Indonesians now fear an erosion of the country's hard-fought checks-and-balances system should the president, a retired army general, become all-powerful again under its direct presidential system.

Thailand once gave hope to democracy in the region, but over the past decade, disturbing political developments have caused grave concern that the country's constitutional crisis "will not end well." The Philippines is similarly confronted with unprecedented challenges. Back-to-back tropical storms that made landfall at the time of the conference killed over 700 people and affected 7 million others.

Malaysia in the mainland is in the throes of a power struggle and serious intra-ethnic tensions following the ruling coalition's historic loss of its two-thirds parliamentary majority in 2008. And after nearly half a century of one-party rule, Singapore is also facing a more vocal – and graying – population. On the former, a Singapore government official stated that "Singapore is too small a country to start sniping; it is not really constructive."

Conversely, Mekong countries like war-ravaged Cambodia and Laos are pre-occupied with recovery – there are 160 non-governmental

organizations operating in Laos (60 permanently) and 700 NGOs in Vietnam – while Vietnam is preparing for its 11th party congress and to helm ASEAN next year when Thailand completes its rotating chairmanship. Soon, Vietnam will assume ASEAN’s leadership at a time of strategic, political, generational, economic and climatic upheavals in the region.

In summary, the findings are as follows, with the aforementioned as background:

- Recognize and better appreciate ASEAN’s extreme diversity and fragmentation within, between and among ASEAN countries;
- There’s no logic to “ASEAN” whatever the criteria used to measure it, and the bloc was conceived out of strategic and ideological necessity;
- ASEAN countries sans Burma are not static. The U.S. needs to recognize and better appreciate the unprecedented forces of external and internal change that are sweeping over the region;
- The implications of a resurgent Indonesia are not yet clear;
- Thailand is in a severe crisis and the outcome is highly unpredictable;
- Singapore is making a significant international contribution in Afghanistan;
- America’s war image in Laos has yet to recover;
- Timor Leste’s ASEAN membership may hinge on Indonesia’s goodwill, but it is unclear if all 10 members wish to include it or if Timor Leste is ready to enter ASEAN.

II) U.S.-Southeast Asia Relations under the Obama Administration: “The U.S. is back in Southeast Asia”

Strategic Shift to Asia and Redefining Relations

President Barack Obama’s Nobel Peace Prize raises expectations for broader and more concrete areas of cooperation between the U.S. and Southeast Asian countries. President Obama has strong family ties in the region; as a native of Hawaii and Chicago, no U.S. president is

probably better positioned to understand the Southeast Asian kaleidoscope than Mr. Obama can. The president's latest and personal efforts to promote the Hindu Diwali festival at the White House as a means of reaching out to Asian-Americans have not gone unnoticed in Southeast Asia, a region that has ancient ties to Hinduism and other world religions.

At the same time, President Obama announced a postponement of an all-important visit to Indonesia next year. His participation in this week's APEC Summit in Singapore has been cut short by a day while the U.S. embassy in Singapore is still awaiting the appointment of a new ambassador, which is raising doubts about the gap between rhetoric and reality.

The president pre-empted the legitimate misgivings about American pledges early on by dispatching Secretary of State Hillary Clinton to Indonesia and the ASEAN Secretariat in Jakarta on her first trip abroad. Secretary Clinton subsequently signed ASEAN's lynchpin non-aggression pact, the Treaty of Amity and Cooperation, in July that 25 other nations, including China, have long been a party to. It was a historic and concrete gesture of American partnership and benign regional intentions. America also announced its ASEAN ambassador will be posted to Jakarta rather than Washington, and Secretary Clinton held the first-ever ministerial meeting with Lower Mekong countries while engaging the Burmese generals without lifting sanctions.

These are substantive developments that mark a radical shift from the Bush era when Southeast Asia was seen as the "second front in the war on terror" and America's relations with Southeast Asia were spotty and ad-hoc at best. ASEAN was often bypassed. Professor Wang Gungwu, the Asia scholar, attributed this ambivalence to the Vietnam syndrome to explain America's "indecisive relations with the region." America, he opined, was uneasy over how much to get involved.

In the lacunae, fast-moving developments, such as climate change and the global financial and economic crises, have caused a new set of issues to be addressed that were not projected at the time or did not register. (It is noteworthy that The Asia Foundation's last series of exchanges with young Southeast Asian professionals took place between 2002 and 2006).

What a difference a decade makes. America today has to contend with a more assertive and powerful Asia.

With America now back in the region, Southeast Asians have welcomed the change in policy approach, style and tone. Professor Tommy Koh, Singapore's Ambassador-at-Large, scholar and ASEAN statesman observed that President Obama is appreciated for reaching out to the "Ummah," or global Muslim community, for preventing a total collapse of the U.S. economy, for reinforcing multilateral organizations like the U.N., and for his climate change initiatives.

However, what President Obama does at APEC will determine the actual prospects for promoting U.S.-Southeast Asia relations against a backdrop of China's steady rise. An inaugural U.S.-ASEAN Summit that was proposed and postponed in the Bush era will now occur on the sidelines of APEC in Singapore. ASEAN's pariah member, Myanmar (also known as Burma) will be at the table. It marks another turning point in America's engagement with the region. As an administration official noted during the conference, the U.S.-ASEAN relationship "has not reached its potential." And the White House has separately made clear it is no longer letting the Burmese "tail wag the ASEAN dog."

Trade relations between both sides and their economic potential remain strong. A cause of continued concern among some ASEAN countries is President Obama's protectionist rhetoric on "buy America first". Still, the region's strategic trade routes and consumer needs make ASEAN America's second largest export market in Asia,

just behind China, and the destination for \$130 billion of private U.S. investment.

In summary, the findings are as follows:

- America and Asia are profoundly interdependent but political relations with Southeast Asia have previously been “indecisive;”
- In the lacunae, power has shifted to the East and a new set of issues such as climate change have superseded traditional security problems;
- President Obama’s personal interest in and focus on Southeast Asia have created the conditions and expectations for deeper cooperation especially with ASEAN;
- President Obama’s leadership at APEC will better determine the quality and direction of future U.S.-Southeast Asia cooperation;
- The first-ever U.S.-ASEAN summit is a strategic milestone that could allow the U.S. to reach its full potential with Southeast Asian nations

III) Regional Architecture, China, and Special Trans-border Issues: “Evolve Organically?”

ASEAN’s New Strategic “Logic” and (Uncertain) Future

ASEAN has kept the peace in Southeast Asia but public opinion is still deeply divided over its relevance. An interlocutor summarized it as “surprisingly successful in the eyes of some people and surprisingly unsuccessful in the eyes of others.” Indeed, the regional and international media routinely depict ASEAN as a “talk-shop.”

ASEAN’s record on the slow-burn Burma crisis is arguably abysmal and when the Asia Pacific was recently inundated by a spate of natural disasters, ASEAN was absent. Its other financial plans like the “Chiang Mai Initiative” are perceived to be too obscure by the millions currently suffering from the impact of the global financial and economic crises.

The conference interlocutors, however, argued dialogue allowed ASEAN to assume a regional identity they consider to be a “miraculous journey”; middle and big powers recognize its usefulness; and ASEAN is now evolving into a rules-based legal entity from a loose, consensus-driven networking bloc.

At the fifteenth ASEAN Summit held in Thailand last month, the grouping inaugurated a new and ambitious Intergovernmental Commission on Human Rights (AICHR). However, AICHR can only promote human rights as a concept as it lacks enforcement mechanisms.

The interlocutors acknowledged the alphabet soup of regional initiatives – ARF, APEC, ASEAN+3, EASⁱⁱ - was confusing to outsiders, and they think the EAS that so far excludes America could be the main umbrella body as it is represented by China, India, Australia and New Zealand.

Australia’s controversial proposal of a single Asia Pacific Community as the overarching institution that merges the various meetings is unpopular in ASEAN, and the interlocutors said for the time being, it was best to let these overlapping meetings “evolve organically.” The prevailing regional sentiment is “if it ain’t broke, don’t fix it.”

Moving forward, a critical question is: what kind of ASEAN will make a difference, and is America inclined to assume even more responsibility in the region, especially if it joins the EAS?

Several scenarios were considered: ASEAN is currently passive, it “hangs together” and reacts to regional developments but the interlocutors agreed it has the potential to be united and active out of a new strategic calculation to manage the rise of China and India. China’s Free Trade Agreement with ASEAN is an indication that it too prefers to work with Southeast Asian countries as a stable bloc that is accepted to be in everybody’s interest.

What could set it back is if Indonesia, an emerging power, chooses to bypass ASEAN in favor of the G20 or BRICⁱⁱⁱ. After all, an interlocutor observed that big ASEAN states like Indonesia, Burma and Vietnam are not helpless without the ASEAN framework – Burma is already skillfully playing the geopolitical game by balancing China and India – and they may not behave all that differently without ASEAN, a good reason perhaps to belatedly expel Burma from ASEAN.

An ASEAN expert concluded interest in ASEAN could easily be revived if it shows results by exercising preventive diplomacy on a critical regional issue. This could be the territorial conflict in the South China Sea^{iv} that ASEAN currently “pretends (it) does not exist.” The interlocutor concluded if ASEAN succeeds here, it could reverse its feckless status.

However, the complex conflict in the South China Sea was described by an expert as a “tinderbox” and “impossible to resolve” so far. The Law of the Sea offers no solution to it; mediation and conciliation is still preferred by the disputants over arbitration – a practical mechanism that in fact has strong precedent in the region.

A Southeast Asian participant from a claimant country proved the urgent need for arbitration when he revealed that negotiators quarrel over petty points like where species of fish originated from (in the same way Malaysia and Singapore recently tangled over which local dishes were national).

America, according to a U.S. administration official present, prefers a hands-off approach but this cannot be sustained when experts note that freedom of navigation is at stake.

Other traditional and non-traditional trans-border security threats were also discussed – from terrorism and piracy to climate change. The consensus was that they remain significant threats. Terrorists are recruiting from the ranks of the self-radicalized; “creeping Islamization” in the region was not dismissed lightly by an Indonesian participant.

Myanmar was not on the agenda nor was Myanmar represented at the conference. But a Singaporean official acknowledged Singapore's image on the issue was negative despite the government's best diplomatic efforts to move the process forward.

In summary, the findings are as follows:

- Rise of China and India provides ASEAN with a new strategic momentum to stay relevant;
- Results in ASEAN could reverse its image as feckless and elitist;
- America could respond to changing regional dynamics by fully investing in the regional security body ARF, and by becoming a member of the EAS;
- Overlapping institutions are likely to “evolve organically;”
- Australia's proposal of an Asia Pacific Community may merge with Japan's new push for East Asian regionalism
- Indonesia may bypass ASEAN in favor of G20 and BRIC but the Indonesian President has said Indonesia is a founding member of ASEAN and will not abandon it;
- ASEAN's launch of the Human Rights Commission is a significant policy shift in Southeast Asia that lacks recognition, but oversight and enforcement mechanisms need to be developed over time;
- Tensions are high in the South China Sea and negotiations are currently superficial;
- Disputes in the South China Sea threaten the freedom of navigation and may require American leadership to resolve;
- Other regional security threats like terrorism have morphed or until now have remained largely constant like maritime piracy and Myanmar;

IV) Trends in Southeast Asia and Implications for the U.S.: “What Comes After the Good Feelings?”

Hope and Change in Southeast Asia

In the wake of two (unpopular) wars, the Arab-Israeli peace process and pressing domestic challenges from jobs to healthcare, Southeast Asia presents President Obama with an opportunity to actualize “change.”

Although relations between America and Southeast Asia have long been institutionalized in a plethora of ways, America should not miss this chance for concrete progress. Anti-American feelings appear to have dissipated and were largely targeted at the Bush administration’s policies. Beyond Burma, the Obama administration could pay more heed to the generational and technological forces of reform and democratization that are in fact sweeping over the region while consolidating the gains that have already been achieved in Indonesia.

The U.S. should be realistic and not wait for ASEAN to be effective before it charts a course of action in ASEAN, as the conference has shown that an active and united ASEAN, while plausible, is a myth. The Obama administration has begun to engage ASEAN, but its careful and renewed leadership in ASEAN could re-invigorate the grouping into producing concrete results and at a faster pace. U.S. Senator Jim Webb’s recent diplomacy in Myanmar has exposed ASEAN’s lack of leadership on the Myanmar issue.

The U.S. should proceed without undermining China’s interest in the bloc or by forcing Southeast Asian nations to choose one over the other. This effort might help America pre-empt the so-called “Asian renaissance” and power shifts to Asia.

America’s leadership in APEC comes at a time of waning U.S. economic influence, and when Southeast Asian countries are themselves re-examining the “export model.” American economic and financial ideas could help sustain its robust economic relations with the region.

The region’s rich tropical flora and fauna, strategic waterways and tapestry of world religions present the U.S. with endless possibilities

– rapprochement with Muslims; progress on maritime issues that ensures America’s security and prosperity; and allows the U.S. to conduct scientific research on climate change and be energy-efficient.

The alternative is more of America’s “indecisive relations” with a dynamic region, and possibly regional incoherence that could perpetuate conflict and undermine America’s core interests in Southeast Asia.

V) Recommendations and Conclusion

How to better cooperate

This paper recommends the following:

- Sign an executive order to set up a joint U.S.-ASEAN Commission to study air pollution in urban centers, climate change and its impact on the environment while forging closer cooperation in regional disaster-management
- Capacity-building: assist Southeast Asian countries and ASEAN to acquire and understand marine data as a confidence-building measure in the South China Sea (given the worldwide crisis in fisheries – many species face extinction)
- Share experience in international arbitration and train bureaucrats and negotiators
- Avoid unilateral action in Myanmar and work closely with ASEAN
- Enhance soft power – send Michael Phelps as a goodwill ambassador to the SEA games in Laos; fund media programs for Southeast Asia; recognize Peace Corp officers and interns who advance relations with Southeast Asia; introduce and create more technological linkages with youth and civil society organizations located in one of the most information-savvy regions in the world.

In conclusion, it is crucial for the Obama administration to ensure sustainability in relations and consistency between his rhetoric and actions to avoid disappointments and passivity in ASEAN.

Separately, American institutions like The Asia Foundation that embody soft power should not be under-estimated in their ability to improve America's image and foster better U.S.-Southeast Asian relations.

Almost half a century ago, The Asia Foundation supported two eminent speakers who addressed conference participants in Singapore. One of them said he spent three months in the U.S. visiting 16 universities to build an expertise on Asian studies. The speaker's verdict? "The knowledge has stayed with me ever since."

VI) Notes:

ⁱ Haseenah Koyakutty is a Singaporean freelance writer and Southeast Asia correspondent based in Bangkok. She was also a participant in the conference.

ⁱⁱ ARF – ASEAN Regional Forum. It was set up in 1993 and currently comprises 27 countries: the 10 ASEAN members, its 10 dialogue partners as well as the DPRK, Mongolia, Pakistan, East Timor, Bangladesh and Sri Lanka. It aims to foster dialogue on political and security issues and build confidence by exercising preventive diplomacy.

APEC – Asia-Pacific Economic Cooperation was established in 1989 and comprises 21 member economies and is the premier forum for facilitating economic growth, trade and investment in the Asia-Pacific region by breaking down trade barriers.

ASEAN+3 – ASEAN + China, Japan and South Korea.

EAS – The first East Asia Summit was held in Kuala Lumpur in 2005 and it is a forum for strategic and political dialogue. This ASEAN forum excludes the U.S. while China, Japan, South Korea, India, Australia and New Zealand are members.

ⁱⁱⁱ BRIC – Brazil Russia India China. It is a caucus of fast growing developing economies and the first summit was held this year. Indonesia may become the second “I” in BRIC

^{iv} South China Sea conflict – Six claimants – China, Vietnam, Taiwan, Malaysia, Brunei, and the Philippines – exert overlapping claims over dozens of small islands in the South China Sea.