



ENGAGING ASIA
February 2019



THE U.S.-ASEAN PARTNERSHIP IN THE INDO-PACIFIC

By Lindsey W. Ford

On his trip to Singapore in November 2018, Vice President Mike Pence reaffirmed the United States’ commitment to Southeast Asia, arguing that the Association of Southeast Asian Nations (ASEAN) is an “indispensable and irreplaceable partner” to the United States, one which is “central to our vision for the region.”¹ Pence’s language echoed similar statements by officials in previous administrations, including former secretary of state Hillary Clinton, who referred to ASEAN in a 2012 speech as “a fulcrum for the region’s emerging regional architecture”² and President Ronald Reagan, who argued back in 1987 that “support for and cooperation with ASEAN is a linchpin of American Pacific policy.”³ Even Cyrus Vance, President Jimmy Carter’s secretary of state, suggested that engagement with ASEAN was a centerpiece of the Carter administration’s approach toward the region.⁴

Yet for all of the rhetorical plaudits of U.S. leaders, ASEAN remains a relatively little-known organization for most Americans. Moreover, Southeast Asia has rarely featured as a prominent focus of U.S. foreign policy following the United States’ retreat from the Vietnam War. U.S. policy toward the region has often appeared episodic, alternating between moments of intense engagement and what some regional experts have described as “an inadvertent policy of benign neglect and missed opportunities.”⁵ More recently, growing strategic competition between the United States

¹ Mike Pence (remarks at the 6th U.S.-ASEAN Summit, Singapore, November 14, 2018), <https://www.whitehouse.gov/briefings-statements/remarks-vice-president-pence-6th-u-s-asean-summit>.

² Hillary Clinton, “America’s Engagement in the Asia-Pacific” (remarks, Honolulu, October 28, 2010), <https://2009-2017.state.gov/secretary/20092013clinton/rm/2010/10/150141.htm>.

³ See Seng Tan, “Change and Continuity in America’s Asia Pivot: U.S. Engagement with Multilateralism in the Asia Pacific,” in *Origins and Evolution of the U.S. Rebalance toward Asia: Diplomatic, Military, and Economic Dimensions*, ed. Hugo Meijer (New York: Palgrave Macmillan, 2015), 58.

⁴ See Seng Tan, *Multilateral Asian Security Architecture: Non-ASEAN Stakeholders* (New York: Routledge, 2016), 112.

⁵ *Ibid.*, 60.

and China has once again brought Southeast Asia back into the limelight. The result has been a renewed emphasis on U.S. engagement with ASEAN and its member states but also growing questions about ASEAN's ability to maintain unity and relevance amid great-power tensions.

This brief explores the evolution of U.S.-ASEAN ties and highlights near-term challenges and opportunities for this partnership. It argues that while the last decade has seen remarkable progress in strengthening U.S.-ASEAN ties, a combination of domestic pressures, geostrategic competition, and ASEAN disunity are likely to slow or stall this momentum in the coming years. The challenge for U.S. policymakers and the 116th Congress will be to sustain U.S. engagement and leadership in the face of these headwinds. This brief concludes by recommending a series of steps that policymakers could take to prevent the erosion of U.S. leadership in Southeast Asia and sustain the U.S.-ASEAN partnership.

THE EVOLUTION OF U.S.-ASEAN TIES

Cold War origins. ASEAN was established in 1967 at a time of deep regional unrest, amid growing concerns about Communist expansionism in Southeast Asia. The aim of the organization was to bring stability to a tumultuous region and prevent Communist attempts to foment insurgencies. Yet it was not until 1976 that the heads of state from ASEAN's five original members met for the first time. Although the U.S. retreat from the region following the Vietnam War helped spur ASEAN's development, it was not long before the United States moved to establish ties with the new organization, convening the first U.S.-ASEAN Dialogue in Manila in September 1977.

From the beginning, the drivers of the U.S.-ASEAN relationship were both strategic and economic. On the strategic level, ASEAN's strongly anti-Communist orientation provided the United States with an important bulwark against Communist influence in Asia—a valuable commodity at a time when U.S. foreign policy was focused on reducing its overseas commitments. Beyond this strategic rationale, Southeast Asia's rapid economic growth, which outpaced many other developing regions, made it immensely appealing for U.S. policymakers as “a producer of primary commodities, a center for investment, and growing market for U.S. goods.”⁶ And for ASEAN member states, an enhanced trading relationship with the United States was essential if they hoped to continue their growth and modernization. These shared strategic and economic interests anchored the bilateral relationship throughout the Cold War, providing the United States with a reliable partner in a previously volatile region and helping ASEAN member states sustain the necessary stability to achieve their economic goals.

After the Cold War: Growth and setbacks. The end of the Cold War marked an important transition in Asian regionalism and in U.S.-ASEAN relations. During the 1990s and early 2000s, three important developments shifted the long-term dynamics between the United States and ASEAN. First, China significantly increased its political and economic engagement with its Southeast Asian neighbors, embarking on a “charm offensive” to offer new trade deals, investments, and assistance.⁷ In 1980, trade with

⁶ Central Intelligence Agency, “ASEAN: Prospects for the 1980s and Implications for U.S. Policy,” June 15, 1983, <https://www.cia.gov/library/readingroom/docs/CIA-RDP86T00302R000500850003-4.pdf>.

⁷ Joshua Kurlantzick, “ASEAN's Future and Asian Integration,” Council on Foreign Relations, Working Paper, November 2012, 3, https://www.cfr.org/sites/default/files/pdf/2012/10/IIGG_WorkingPaper10_Kurlantzick.pdf.

China accounted for only 2% of ASEAN's global trade, far less than the robust trade flows between ASEAN and both the United States and Japan.⁸ Between 1990 and 2010, however, China-ASEAN trade saw a fourfold increase.⁹ It grew at an average annual rate of 43% from 2000 to 2010, by which point China had become ASEAN's largest trade partner.¹⁰ This shift moved China from being a relatively marginal to a central economic player in Southeast Asia, creating a more complex calculus for ASEAN states in balancing their long-standing security relationships with the United States and their newfound economic reliance on China.

Second, and related, many Southeast Asian countries were deeply frustrated and disillusioned by the U.S. response to the devastating 1997–98 Asian financial crisis. Specifically, they objected to the strict conditions attached to the International Monetary Fund's assistance. A sense that the United States had once again abandoned its Southeast Asian partners at their moment of greatest need not only reinforced lingering questions about the United States' reliability as a partner, it also accelerated efforts to seek out "Asia-centric" economic forums that would reduce ASEAN's dependence on the United States.

Finally, the shift in the United States' attention toward the Middle East after September 11 created a feeling that the United States was disengaged from Asia and uninterested in some of the regional concerns—for example, natural disasters, climate change, and maritime security—of greatest priority for ASEAN states. The Bush administration's relative

disinterest in attending ASEAN meetings and prioritization of counterterrorism issues further reinforced these perceptions.¹¹

The rebalance within the rebalance: Newly expanded ties. The impact of these developments continues to resonate today in the U.S. relationship with ASEAN. Nonetheless, the past decade saw a historic expansion and deepening of U.S.-ASEAN ties, primarily motivated by China's growing influence and the U.S. desire to shore up its leadership position in Asia. As part of its "rebalance to Asia," the Obama administration moved early on to prioritize engagement with ASEAN, acceding to the Treaty on Amity and Cooperation and establishing an annual U.S.-ASEAN Leaders' Summit within its first year in office. While largely symbolic, both steps sent an important signal that the U.S. commitment to Southeast Asia began at the top and that the United States was willing to engage ASEAN on a wider set of issues beyond counterterrorism. Over the next few years, the United States created a new ambassadorship to oversee U.S.-ASEAN relations and was the first dialogue partner to establish a new mission to ASEAN in Jakarta. The establishment of both the ASEAN Defence Ministers' Meeting-Plus (a ministerial-level defense forum between ASEAN and eight dialogue countries) and the East Asia Summit in 2011 also opened up new avenues for the United States and ASEAN to engage on defense and security issues.

The pinnacle of this period of renewed engagement came toward the end of the Obama administration, with the elevation of U.S.-ASEAN ties to a strategic partnership in 2015 and the first U.S.-hosted U.S.-ASEAN Leaders' Summit in February 2016.

⁸ Ganjar Nugroho, "An Overview of Trade Relations between ASEAN States and China," in *FTA No rekishi riron genjo* [History, Theory, and the Current Situation of FTAs], ed. Tetsuro Shimizu (Tokyo: Waseda University, 2015), 160. <https://www.waseda.jp/inst/oris/assets/uploads/2015/10/i2-4.pdf>.

⁹ Ibid.

¹⁰ Javad Heydarian, "Obama's B Grade on ASEAN," *Diplomat*, October 10, 2011, <https://thediplomat.com/2011/10/obamas-b-grade-on-asean>.

¹¹ Nugroho, "An Overview of Trade Relations between ASEAN States and China."

The summit produced the seventeen-paragraph Sunnylands Declaration that affirmed a shared commitment to a range of regional principles and values, including freedom of navigation, open and inclusive economic growth, and peaceful resolution of disputes. Although nonbinding, the statement nonetheless was important as a means of collectively voicing a shared commitment to sustaining a rules-based regional order.

U.S.-ASEAN relations in the Trump administration.

The Trump administration entered office inheriting perhaps the strongest U.S.-ASEAN partnership that had existed in decades. Although the change in administration generated questions about whether the United States would shift away from its growing focus on Southeast Asia, to a large extent these fears have not materialized. President Donald Trump has twice traveled to the region, and although his failure to attend the East Asia Summit was a disappointment for regional counterparts, his administration has otherwise been diligent in making it a priority to show up for ASEAN engagements. Beyond just showing up, the administration has made an effort to identify new initiatives that will advance the U.S.-ASEAN relationship in substantive and meaningful ways, including passing the Better Utilization of Investments Leading to Development (BUILD) Act to promote private sector-led infrastructure development, supporting Singapore's efforts to promote digital development through the establishment of a new U.S.-ASEAN smart cities initiative, and producing a new U.S.-ASEAN leaders' statement on cyber norms and cooperation.

ASEAN and Congress. The U.S. Congress has also shown a growing focus on Southeast Asian affairs. During the 115th Congress, Representatives Joaquin Castro (D-TX) and Ann Wagner (R-MO) established the first bipartisan ASEAN Congressional Caucus

in an effort to encourage greater legislative attention to U.S. interests in Southeast Asia. Representative Wagner also introduced HR 6828, the Southeast Asia Strategy Act, which encouraged U.S. policymakers to more publicly articulate U.S. interests and priorities for the region. The 115th Congress was particularly vocal on the issue of human rights protection in Southeast Asia, as seen in the Burma Act of 2017, the Burma Human Rights and Freedom Act of 2018, and the Cambodia Democracy Act of 2018.

CHALLENGES AHEAD

Despite this increased attention to Southeast Asia, U.S.-ASEAN relations may be headed toward a bumpier period in the coming years. While the fundamentals of the U.S.-ASEAN relationship remain strong, U.S. policymakers in the 116th Congress will face four challenges in particular that will make it more difficult to sustain momentum in the bilateral relationship.

No. 1: Rising repression and authoritarian trends in Southeast Asia. In response to rising domestic and ethnic unrest and the greater sense of uncertainty created by geostrategic tensions in the region, many Southeast Asian leaders are embracing more populist and authoritarian policies at home. The result has been a wave of crackdowns on the press, human rights abuses, and new restrictions on freedom of speech and other civil rights. The most egregious human rights abuses and worrisome developments have been in Myanmar, where mass atrocities against the Rohingya minority have created over a million refugees and one of the most serious humanitarian crises in the world. But there are more widespread challenges across the region, including Thailand's military coup, Philippine president Rodrigo Duterte's deadly war on drugs, Cambodia's repression of opposition parties and

independent media organizations, and the growing politicization of Islam in Indonesia.

The United States cannot afford to turn a blind eye to these developments while also promoting a more “free and open Indo-Pacific.” U.S. support for human rights, freedom of the press, and good governance in Southeast Asia matters not only because it aligns with U.S. values but also because it promotes the type of rules-based order that the United States is trying to sustain in the region. The recent 1Malaysia Development Berhad scandal in Malaysia highlights the degree to which China has been able to exploit domestic corruption and lack of transparency for its own ends. The challenge for the 116th Congress will be to address these challenges in a way that leads to greater freedom and openness without alienating the United States’ relationships in the region.

No. 2: Wavering confidence in U.S. leadership. While regional concerns about the U.S. commitment to Asia are not new, there are growing signs of pessimism about U.S. leadership under the Trump administration. Important shifts in the broader contours of U.S. foreign policy—including the administration’s tariff-heavy economic policy, the president’s obvious ambivalence about U.S. alliances and overseas commitments, and the administration’s preference for bilateral cooperation over multilateral engagement—have heightened concerns that the United States will not be a reliable partner. In a recent survey of Southeast Asian experts, nearly 60% of participants suggested that U.S. influence had either deteriorated or deteriorated significantly under the current administration, while nearly 70% expressed a lack of confidence in U.S. commitment and reliability.¹² Unless the United States takes steps

to reverse these trends, this uncertainty will limit the willingness of ASEAN partners to embrace a closer partnership with the United States and restrict the grouping’s ability to build a stronger coalition of support for regional principles and norms.

No. 3: ASEAN disunity. ASEAN’s consensus-based approach to decision-making has come under particular duress in recent years. Geostrategic competition between the United States and China has deepened ASEAN disunity, leaving it unable to find a unified voice or play a meaningful role in resolving some of the region’s most consequential challenges, including tensions in the South China Sea. Frustration with this current state of affairs was evident in the same survey of Southeast Asian experts, who listed an inability to cope with fluid regional developments or to deliver concrete results as among their top concerns about ASEAN. Although member states are wrestling internally with how to address this growing dysfunction, they are unlikely to alter ASEAN’s consensus-based approach anytime soon. U.S. policymakers will need to avoid the temptation to decide that ASEAN is therefore no longer useful or important as a regional partner. It remains the centerpiece of Asia’s regional architecture and an essential component of U.S. efforts to build a strong network of like-minded partners. However, U.S. policymakers will need to have realistic expectations about the degree to which ASEAN can, or will, weigh in on sensitive security issues, which will continue to be handled more effectively through bilateral channels.

No. 4: Differing strategic priorities. The Trump administration’s rollout of its new free and open Indo-Pacific strategy received a decidedly lukewarm

¹² Tang Siew Mun et al., “State of Southeast Asia: 2019,” *ASEAN Focus*, January 2019, 10, https://www.iseas.edu.sg/images/pdf/ASEANFocus%20January%202019_FINAL.pdf.

response in Southeast Asia, where some partners felt that its focus on Asian democracies and the newly restored Quadrilateral Security Dialogue with Australia, India, and Japan signaled an intent to sideline ASEAN institutions and partners. Although the administration went on a messaging blitz to address these concerns, the administration's clear preference for bilateralism over formal multilateral institutions is likely to reinforce skepticism about ASEAN's place in U.S. strategy. Moreover, the United States' focus on strategic competition with China is generating mixed reviews in Southeast Asia. While many countries privately express appreciation for U.S. efforts to push back against Chinese assertiveness, they are also anxious that ASEAN may be forced to choose between its relationships with the United States and China. The U.S. administration's tariff policies, in particular, have had a negative impact on economic growth in many Southeast Asian countries, which also worry about the potential impact of U.S. efforts to "decouple" the U.S. and Chinese economies. While ASEAN states welcome U.S. investment and trade, U.S. policymakers will need to be mindful that a "with us or against us" approach to strategic competition, especially in the economic sphere, will be unsuccessful in Southeast Asia and could actually push partners further away from the United States.

LOOKING FORWARD: PRIORITIES FOR THE 116TH CONGRESS

Although the U.S.-ASEAN partnership may be facing some difficult headwinds in the coming years, the United States has a vested interest in strengthening its ties with ASEAN and member states. Southeast Asia is a region of deep strategic and economic importance to the United States, and its global influence will only

grow in the coming decades. The region is already the largest destination for U.S. investment in Asia, and with five of the world's twenty fastest-growing economies and nearly 400 million citizens under the age of 35, ASEAN's collective economic heft is poised to explode.¹³ Moreover, Southeast Asia's strategic sea lanes and rising military capabilities make regional countries important partners on any number of security issues, ranging from counterproliferation to international peacekeeping operations.

Going forward, U.S. policymakers in the 116th Congress could take several steps to help strengthen the U.S.-ASEAN partnership and support U.S. leadership in Southeast Asia. First, Congress should push the administration to publicly articulate a Southeast Asia strategy, as emphasized in the Southeast Asia Strategy Act, that defines U.S. interests in ASEAN and its members on their own terms and not solely through the prism of U.S.-China relations. This could be an important step in reassuring countries about the United States' commitment to its Southeast Asian allies and partners. Relatedly, Congress should press the administration to nominate a U.S. ambassador to ASEAN, a position that has stood vacant for two years.

Congress can help the United States keep its commitment to Southeast Asia by leveraging the power of the purse. It will be important for congressional appropriators to support the recently passed Asia Reassurance Initiative Act, which seeks to develop a long-term strategic vision for the United States in the Indo-Pacific and ensure that the U.S. budget reflects the strategic priorities laid out by Congress.

¹³ UN Department of Economic and Social Affairs, "Profiles of Ageing 2017," 2017, <https://population.un.org/ProfilesOfAgeing2017/index.html>; International Monetary Fund, "Real GDP Growth: Annual Percent Change," IMF DataMapper, 2018, https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEO_WORLD?year=2018; and ASEAN Statistical Yearbook 2016/2017 (Jakarta: ASEAN Secretariat, 2017), https://asean.org/storage/2018/01/ASYB_2017-rev.pdf.

Congress can also help make certain that human rights and good governance reforms remain an important part of the U.S. foreign policy agenda in Southeast Asia. U.S. policymakers should especially focus on enhancing funding for civil-society programs, judiciary support and training, and programs to promote press freedom and media literacy.

While U.S.-ASEAN ties face some near-term hurdles, the greatest potential for stronger engagement with Southeast Asia lies with its large youth demographic. Congress should build new opportunities for young people in the region to engage with the United States by expanding funding for the Young Southeast Asian Leaders Initiative and considering new scholarships that could encourage more students to study in the United States.

Finally, if the mantra in Asia is that “showing up” matters, Congress can play a valuable role in providing this reassurance to Southeast Asian partners. Showing up need not only be an executive branch responsibility. Congressional leaders can, and should, take delegations to meet with regional leaders and participate in significant events such as the Shangri-La Dialogue in Singapore. U.S. policymakers should also encourage state and local officials in their districts to take trade and investment trips to the region in order to further strengthen the already robust people-to-people and trading relationships between ASEAN and many U.S. states. ~