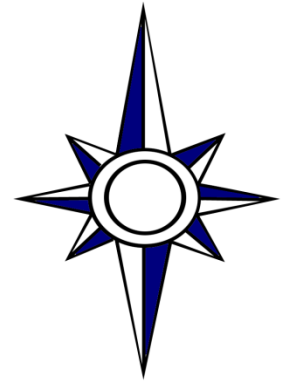


Comparative Connections

A Quarterly E-Journal on East Asian Bilateral Relations



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US-Southeast Asia Relations: Denouement and Delay

After banner initiatives in US policy toward Southeast Asia were unveiled in 2009 – the US-ASEAN Leaders Meeting, signing the ASEAN Treaty of Amity and Cooperation, and a 45-degree change in Burma policy that added engagement to sanctions – a loss of momentum in early 2010 was hardly surprising. President Obama’s decision to delay his long-awaited trip to Indonesia twice in March added to the impression of a slump in relations with the region. The administration proved to be prescient in its warning last fall that greater engagement with the Burmese regime would not likely reap short-term gains when the junta announced restrictive election laws. However, in the first quarter of 2010 the US also moved forward on two regional initiatives – strengthening its interest in the TransPacific Trade Partnership, which could be a route to trade liberalization with several Southeast Asian countries, and preparing to establish a Permanent Mission to ASEAN. Despite Bangkok’s ongoing political crisis and a new wave of “red shirt” protests, the US and Thailand implemented new rounds of two multilateral military exercises in this quarter, including the flagship *Cobra Gold*. At the end of the quarter the US and Vietnam signed a landmark Memorandum of Understanding on the development of civilian nuclear power facilities, a bilateral segue to the multilateral nuclear summit that Obama will host with 43 heads of state in mid-April.

An ebb in momentum

By all accounts, 2009 was a banner year for US relations with Southeast Asia. Determined to raise the US profile in the region and improve the tone of discourse – key elements in “soft power” – the Obama administration dispatched Secretary of State Hillary Clinton to ASEAN meetings, signed the ASEAN Treaty of Amity and Cooperation, and launched the first-ever US-ASEAN Leaders Meeting, on the margins of the November Asia-Pacific Economic Cooperation (APEC) meeting in Singapore. These were largely symbolic acts but important ones that were, in the view of many Southeast Asians, overdue. The administration also won the approval of the pragmatic ASEAN countries with the review of its Burma policy, adding engagement to the ongoing menu of sanctions.

The inevitable ebb of this momentum was readily seen in the first quarter of 2010. The course of health care reform legislation compelled President Barack Obama to postpone a long-anticipated trip to Indonesia twice; the trip is now scheduled for June. (Some Indonesians count three postponements, the first one in November, when Obama was expected to visit his boyhood home after attending the APEC meeting in Singapore.) Given the historic importance of the health care vote – and the result – the fallout from the cancellations was minimal. Had the health care

bill not passed in the House of Representatives, Obama could have been seen as failing on both the domestic and foreign policy fronts, so the end is viewed as having justified the means.

However, in planning for a presumed March visit, the spotlight was focused on US-Indonesian relations and movement toward the completion of a US-Indonesia Comprehensive Partnership was greatly anticipated. The Comprehensive Partnership is wide-ranging and includes cooperation on security, trade, education, infrastructure, and climate change. Like many “deliverables” tailored for a presidential visit, a good deal of the Comprehensive Partnership is old wine poured into new bottles, but it is also meant to be a game plan for a long-term bilateral relationship that the US increasingly views as central to its Southeast Asia policy.

But the *Tentara Nasional Indonesia* (TNI) appeared to have a short-term shift in mind as well. In early March reports in the Indonesian press indicated that Jakarta nurtured hopes that the finalization of the Comprehensive Partnership would include restoration of US assistance to *Komando Pasukan Khusus* or *Kopassus*, the TNI elite Special Forces unit that has been sanctioned for human rights abuse under the Leahy Law in the 1990s. These reports presaged the visit to Washington of four *Kopassus* officials, led by the unit’s commander, Maj. Gen. Lodewijk Paulus. Jakarta hoped that training and other assistance could be extended to junior *Kopassus* forces who were not associated with abuses in East Timor in the 1990’s, but the Leahy Law requires that the entire unit be sanctioned if officers within it were found to have committed abuses. Although the administration cautioned that it saw no quick restoration of relations with *Kopassus*, remarks by former Indonesian Defense Minister Juwono Sudarsono in the *Jakarta Post* raised hopes on the Indonesian side that assistance to the unit would be a “deliverable” for the Obama visit. As planning resumes for a June trip, dialogue between the two governments on this issue is likely to focus on the difficulty of circumventing the long-established Leahy Law and the need to resolve this issue in the fullness of time.

Strengthening the US-Southeast Asian regional framework

In her Jan. 12 address to the East-West Center in Honolulu on Asian regional architecture, Secretary Clinton made ASEAN one of the points of focus. Her remarks included the customary US boilerplate on the need for ASEAN and other regional institutions to strive for greater efficiency and division of labor among the proliferation of regional groups. At the same time, she signaled US interest in joining the East Asia Summit (EAS), although it remains unclear what niche the EAS fills in the Asian regional framework. Clinton also had a pointed message for ASEAN when she said that “... the ASEAN Regional Forum (ARF) should make good on the vision laid out ... to assume greater responsibility for disaster relief and humanitarian operations.” This is a clear reference to the Joint Voluntary Exercises on Disaster Relief inaugurated in May 2009 in the Philippines, originally a US initiative. As yet, ARF has made no concrete decision to maintain an annual schedule for this series.

In the meantime, Washington plans to make good on its pledge to open a Permanent Mission to ASEAN in Jakarta. In January, Josh Cartin, a Foreign Service officer, became the resident representative of the new mission in Jakarta. The administration pledges to have a resident

ambassador for ASEAN affairs in place by the end of the year. At present, that position is filled by East Asia Pacific Deputy Assistant Secretary of State Scot Marciel from Washington.

Less clear are the plans for a second round of the US-ASEAN Leaders Meeting, commonly referred to as the US-ASEAN Summit. Last fall, Vietnamese President Nguyen Minh Triet reportedly issued an invitation to President Obama to visit Hanoi in 2010 for the second summit. With three Asia trips already planned for the year – the Indonesia/Australia make-up visit, the G20 meeting in Seoul, and the APEC meeting in Yokohama – it is not clear when Obama might fit a visit to Vietnam into his schedule. Some administration officials are thought to favor a US-ASEAN meeting on the margins of the UN General Assembly meeting in New York in the fall, a convenient if uninspiring option.

The “creeping multilateralization” of security

The US continued to participate in and encourage the informal multilateralization of security exercises in Southeast Asia in early 2010. Despite the ongoing political crisis in Bangkok, in February, Thailand and the US were joined by Singapore, Japan, Indonesia, and South Korea in the 29th round of the *Cobra Gold* exercises, with 15 nations observing. The exercises, the largest in the region, included 5 engineering construction and 7 medical civic action projects.

In recent years, China has attempted to organize bilateral “echo” exercises with Thailand, and this year Beijing proposed air, sea, and land drills. Included in the package was a proposal for a simulated amphibious landing that worried some Western analysts that China might see some application to Taiwan. Although Thai-Chinese exercises are much smaller than *Cobra Gold*, they have progressed steadily over the past few years and, like Chinese actions in the South China Sea, have the potential to erode the US security influence in Asia.

In early March, maritime Southeast Asia was jolted when Singapore warned that a terrorist group planned to attack oil tankers in the Straits of Malacca. The littoral states – Singapore, Indonesia, and Malaysia – quickly raised their security threat-level warnings. A terrorist attack in the Straits has been a frequent worry for security planners in the post-Sept. 11 environment. On an annual basis, 60,000 ships pass through the Straits and 90 percent of the oil imported by China, Japan, and South Korea moves through those sea lanes. Some analysts believe that the threat was connected to Indonesian police operations against a new terrorist group in Aceh, but there is no consensus on the source. However, the threat underscored the need for greater cooperation on maritime security among the littoral states and with the regional powers, a point that the US has long advocated.

Another window on Southeast Asian security opened wider this quarter with the signing of the US-Vietnam Memorandum of Understanding (MOU) on Nuclear Cooperation. The MOU builds on a bilateral process that began in 2007 and is intended to result in a legally binding agreement to help Vietnam develop a safe civilian nuclear energy capacity. The MOU mirrors the intention of several ASEAN states to expand into nuclear energy and provides a segue to the participation of several Southeast Asian countries in the US-hosted nuclear summit in mid-April. Although the focus of that meeting will be on nonproliferation, the growing Southeast Asian interest in the peaceful uses of nuclear power will no doubt be reinforced.

Redirecting free trade

On Jan. 1, the China-ASEAN Free Trade Area (CAFTA) was finalized, after an eight-year negotiation and implementation process, making it the largest free trade arrangement in the world. This salutary event was juxtaposed against a halting US record of trade liberalization with Southeast Asia and an administration agenda that does not include a US-ASEAN FTA in its plans. Efforts to negotiate bilateral FTAs with Thailand and Malaysia have lapsed. In their place, Washington is urging these two countries – and any other APEC members – to consider accession to the TransPacific Trade Partnership (TPP). In November 2009, President Obama signaled clear interest in US membership in the TPP, and the administration has since publicly touted the group as a potential springboard for a regional free trade regime. In March, officials from the US Trade Representative joined trade officials from seven other Asia-Pacific countries in a negotiating round in Melbourne. Vietnam has also indicated a firm interest and participated in the Melbourne rounds; Singapore and Brunei are already members.

Since then, Kuala Lumpur has expressed interest in the TPP and seems to be persuaded that US-Malaysian trade can benefit from that arrangement at least as much as it would from a US-Malaysia FTA. Thailand has not weighed in publicly and is not likely to do so until the government has been able to stabilize the domestic political situation. It is not clear what other Southeast Asian countries might be inclined or able to join the TPP. Jakarta has not as yet expressed concrete interest and the Philippine constitution prohibits participation in free trade agreements of this nature.

Entry into the TPP will not necessarily be smooth sailing for the US. Several sectors may present obstacles, including textiles, agriculture, dairy, and intellectual property. Congress has indicated some concern about including Vietnam in an agreement if US allies are not included. The administration has not yet conducted extensive consultations with Congress on the TPP. It intends to do so this spring, before the next TPP round in June. In the present political climate, however, it is unlikely that the administration will be able to change the minds of 50 percent of Congressional Democrats who have opposed new trade agreements in the next few months. Nevertheless, administration officials remain convinced that over the long run the TPP offers the best possibility for a regional FTA that includes the US.

Burma: a disappointment but hardly a surprise

When the Obama administration reported out the results of an internal review of Burma policy and announced opening the door to engagement with high levels of the Burmese government, US officials were cautious to the point of being pessimistic about the possibility that a modest change in the policy paradigm would have an immediate effect on the Burmese regime. They were proved right in early March when the regime promulgated five laws for planned elections later this year. The law that has caused greatest concern in the international community governs political parties. That law outlaws politicians with criminal records, which includes National League of Democracy (NLD) leader Aung San Suu Kyi, who last year was convicted of illegal contact with a foreigner when an American swam across the lake that borders her house. Many senior NLD leaders have also been incarcerated as political prisoners. A second clause requires

parties to contest for at least three parliamentary seats in the election or risk losing their legal status as political parties. State Department officials were quick to express their dismay and disappointment over the political party law.

In late March, the NLD announced that it would not participate in the elections, effectively forfeiting their status as a political party. The NLD decision, although expected, places the US and the European Union in a particular dilemma as they had been the strongest supporters of the NLD. The Burmese regime will put forward one or more political parties in the election – at least one will be a spin-off of the government-created Union Development and Solidarity Association – and other groups with less government involvement may also emerge to participate. Washington has said that the elections cannot be free and fair if political prisoners are not released and allowed to compete. However, a report issued in late March by an Asia Society Task Force on Burma reveals a broader spectrum of opinion in Asia on the elections. Although many Asian leaders do not expect the elections to be free and fair, they nevertheless believe they represent a landmark in Burmese politics and, with the creation of upper and lower houses of a Parliament and regional and district legislatures, offer some degree of political pluralism. These differences in perception could make it more difficult to coordinate an international response to the elections.

Administration officials may be candid in admitting that the new Burma policy has not met with short-term success, but they are not ready to abandon engagement altogether. The administration has no plans to lift sanctions in the near term, and it is unlikely that either the US or Burma will be inclined to increase engagement significantly before elections. However, the administration does not rule out a deeper relationship with Burma if the Burmese political situation improves. When he testified before the House Armed Services Committee in late March, Adm. Robert Willard, commander of the US Pacific Command, raised the possibility of US-Burma military-to-military engagement “when US policy allows.” Nor is the administration likely to walk back its commitment to humanitarian assistance to Burma, barring new obstacles presented by the regime. Humanitarian assistance is increasingly viewed as a policy element in its own right, rather than a means of encouraging political change and will likely endure regardless of political conditions in Burma.

Refugees and human rights

Although Burma continued to consume the lion’s share of attention, US officials and human rights groups had other causes for concern in Southeast Asia this quarter. This included the firebombing of Malaysian Christian churches in early January after the Malaysian Supreme Court ruled that a Catholic church could use the term “Allah.” In February, the second trial of Malaysian opposition leader Anwar Ibrahim began and the Malaysian government warned foreign governments not to comment on the trial, a message that was believed to be intended specifically for Australia. At a press conference in Kuala Lumpur in March, US Assistant Secretary of State for East Asia and Pacific Affairs Kurt Campbell responded to a question on the Anwar trial by urging the Malaysian judiciary to pursue “an impartial application of the law.”

The year began with US expressing displeasure with both Thailand and Laos over the repatriation of 4,000 Hmong to Laos in late December 2009. In early January, Rep. Eni

Faleomavaega, chair of the Asia Subcommittee of the House International Relations Committee, led a Congressional delegation that included Rep. Mike Honda of California and Rep. Joseph Cao of Louisiana to Laos. They visited repatriated Hmong in Phalak, an area set up by the Lao government for the returnees and reported that they saw no signs of mistreatment. Some refugee advocates believe that the delegation saw a Potemkin village, but the issue has subsided for the moment. However, as long as the countries involved stick to monolithic views of the Hmong, the potential for future such incidents will remain. Encouraged by the international media, some US groups are inclined to regard all Hmong in Laos as *de facto* political prisoners because of their association with the US during the Vietnam War. That may be true in some cases, but does not take into account the fact that fully one-third of the Hmong fought with the *Pathet Lao* (roughly the same proportion that sided with the US), and were rewarded with political positions after the war. Thailand is inclined to view the Hmong (and other Southeast Asians who cross its border) as economic migrants. While this is no doubt the case with many Hmong, Thailand's categorical insistence on this score raises hackles with the refugee affairs community. In the past, Laos has often viewed Hmong who leave as potential political insurgents, fearing that they will connect with exile groups in the diaspora who seek to overthrow the regime in Laos. The government has softened its position somewhat but that suspicion is still prevalent in some quarters, particularly the Lao security sector.

A different refugee issue persisted into 2010 with Cambodia over Phnom Penh's returning 20 Uighur asylum seekers to China last December. Administration officials disclosed that the issue had been raised with the Cambodian government at very high levels without success. If the Hmong issue with Laos and Thailand could be considered an artifact of a past war, the Uighur issue with Cambodia might be viewed as a harbinger of Chinese influence in Southeast Asia and has a wider impact as a result. Toward the end of the quarter, US officials indicated that Washington would send a message to Phnom Penh by withholding surplus equipment, but this is unlikely to blunt Beijing's growing leverage in Cambodia and the other small states of mainland Southeast Asia.

Looking ahead

The second quarter of 2010 will likely see an increase in US momentum in Southeast Asia as President Obama makes his visit to Indonesia and ASEAN and its dialogue partners prepare for the summer ASEAN meetings. Before then, several Southeast Asian leaders will attend the nuclear summit in Washington. With 43 heads of state expected, it is unlikely that any one Southeast Asian leader will have significant "face time" with Obama, but their collective presence will be noted. Secretary Clinton's participation in the ASEAN meetings in Hanoi will follow through on the Obama administration's pledge to "show up" in Southeast Asia. However, the ASEAN countries will also judge the administration's commitment to strengthening its relations with the region by its handling of the second US-ASEAN Leaders Meeting. A time and venue for the summit meeting should become apparent in the next quarter. Lastly, the next quarter should reveal more information about the intentions of the Burmese regime, and Gen. Than Shwe in particular, as the country presumably moves closer to elections. If an opposition other than the NLD – caged or quasi-independent – emerges, it will likely be in the spring and early summer. Prospects for instability in Burma will increase the closer the country comes to elections, which could have implications for Burma's neighbors, especially China and Thailand.

Chronology of US - Southeast Asian Relations January - March 2010

Jan 7-8, 2010: A House Asia Subcommittee Congressional Delegation, led by Chair Eni Faleomavaega and including Rep. Mike Honda and Rep. Joseph Cao, visits Laos and checks on status of 4,000 Hmong repatriated from Thailand in late December.

Jan 12, 2010: Secretary of State Hillary Clinton delivers a major policy address on Asian regional architecture in Honolulu, with considerable attention to ASEAN.

Jan 20, 2010: Singapore assumes command of Combined Task Force 151, a multinational anti-piracy group, from the US in a ceremony in Bahrain.

Jan 20, 2010: The US takes a major step toward establishing a Permanent Mission to ASEAN, the first ASEAN dialogue partner to do so, when Josh Cartin takes up his responsibilities as Resident Representative of the US Ambassador for ASEAN Affairs in Jakarta.

Jan 21, 2010: Assistant Secretary of State for East Asia and Pacific Affairs Kurt Campbell confirms that US sanctions on Burma will remain in place “until Burmese authorities demonstrate they are prepared to make meaningful progress on US core concerns,” in testimony before the Asia Subcommittee of the Senate Foreign Relations Committee.

Jan 25-27, 2010: Indonesia and the US co-sponsor an interfaith dialogue in Jakarta that includes participants from several Asian nations.

Feb 1-11, 2010: The US and Thailand, joined by Singapore, Japan, Indonesia, and South Korea complete the 29th round of *Cobra Gold*, with observers from 15 countries.

Feb 2, 2010: The (second) sodomy trial of Malaysian opposition leader Anwar Ibrahim begins in Kuala Lumpur. On May 8 Deputy Foreign Minister A. Kohilan Pillay warns foreign governments not to criticize the Malaysian justice system or to “meddle” in the trial.

Feb 10, 2010: Burma convicts US citizen Nyi Nyi Aung (born Kyaw Zaw Lwin), a pro-democracy activist arrested in September, for forging a national identity card, possession of undeclared foreign currency, and failure to renounce his Burmese citizenship; charges that are widely considered to be politically motivated.

Feb 15, 2010: The *USS Patriot* arrives in port at Sihanoukville to conduct training exercises with the Cambodian Navy, emphasizing damage control, search and seizure, and at-sea rescue.

March 1-5, 2010: Four leaders of the Indonesian TNI Special Forces unit *Kopassus* visit Washington for discussions on the prospects of resuming training for the unit.

March 3, 2010: Assistant Secretary Campbell testifies before the House Subcommittee on Asia, Pacific and Global Environment (House International Relations Committee).

March 4, 2010: Singapore Navy warns that an unidentified terrorist group is planning an attack on oil tankers in the Straits of Malacca.

March 8, 2010: The Burmese government issues five laws on the election commission, political party registration, lower and upper houses of Parliament, and state and division legislatures.

March 10, 2010: State Department spokesman Philip Crowley tells reporters that the Burmese political party registration law is “a mockery of the democratic process and ensures the upcoming election will be devoid of credibility.”

March 10, 2010: At a press conference in Kuala Lumpur, Assistant Secretary Campbell is asked if the US will support Vietnamese efforts to negotiate a solution to South China Sea problems with China and responds that Washington “welcomes China’s commitment to engage again in the Code of Conduct.”

March 11, 2010: Assistant Secretary Campbell visits Laos to participate in the US-Laos Comprehensive Bilateral Dialogue, the highest-ranking US official to do so. He also meets representatives of the Mekong River Commission.

March 11, 2010: As pro-Thaksin “red shirt” protestors gear up for another round of demonstrations, the US Embassy in Bangkok calls upon the protestors to foreswear the use of violence and the Royal Thai government to exercise appropriate restraints.

March 12, 2010: Singapore, Thailand, and US Air Forces conclude *Copy Tiger*, annual trilateral air exercises, at Korat Airbase in Thailand. This year’s exercises included 80 aircraft and 1,000 personnel from the three air forces.

March 15, 2010: The US and Vietnam join six other nations (including Singapore and Brunei) at the fourth round of TransPacific Trade Partnership negotiations in Melbourne.

March 16, 2010: “Red shirt” protests in Thailand cause Assistant Secretary Campbell to cancel the Bangkok leg of his trip, explaining that he “does not want to add to the logistical burden of our Thai friends.”

March 18, 2010: Indonesian and US Air Forces begin a review of *F-5s*, *F-16s* and *C-130s* for the first time in two years, to remedy maintenance issues that resulted in part from the multi-year gap in military cooperation when the Indonesian military was under US sanctions.

March 18, 2010: Burmese authorities release US citizen Nyi Nyi Aung, who returns to the US.

March 19, 2010: The White House announces that President Obama will postpone his trip to Indonesia because of the House vote on health care legislation.

March 25-26, 2010: Commander of the US Pacific Command Adm. Robert Willard testifies before the House Armed Services Committee and Senate Armed Services Committee on security conditions and cooperation in the Asia-Pacific region.

March 29, 2010: Burmese opposition party, National League for Democracy, announces it will not participate in planned elections because of “unjust” electoral laws, which would require that the party to expel its leader, Aung San Suu Kyi.

March 30, 2010: Vietnam and the US sign a Nuclear Cooperation Memorandum of Understanding to help develop the Vietnamese civilian nuclear power sector.

March 31, 2010: US Trade Representative releases annual its National Trade Estimate Report, which identifies barriers to foreign trade around the world, including Southeast Asian countries.