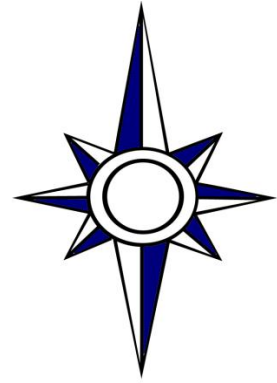


Comparative Connections

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US-Southeast Asia Relations: A Strong Start to the New Year

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In the first four months of 2014, the United States raised its profile in Southeast Asia with a series of high-profile visits and events. Secretary of State John Kerry visited Indonesia in February, delivering a speech on climate change that resonated in a region expecting a major impact from global warming and rising seas. In early April, Secretary of Defense Chuck Hagel hosted the first-ever US-ASEAN Defense Ministers Meeting in Hawaii. The specter of the missing Malaysia Airlines MH370 hung over this meeting as an example of the growing need for regional cooperation and coordination in the face of disaster. At the end of the month, President Obama visited Malaysia and the Philippines, stops he had cancelled last fall because of the US government shutdown. The main deliverables of his trip – a Comprehensive Partnership with Malaysia and an enhanced defense agreement with the Philippines – shored up the administration’s assertion that the US “rebalancing” to Asia is real, and that Southeast Asia is critical to that process. However, the heavy emphasis on defense in Obama’s Philippines visit also reinforced Southeast Asian perceptions that the “pivot” is primarily a security policy.

This perception was strengthened by the fact that Washington was not able to demonstrate as much progress in economic relations with the region in these months. Broad movement on the Trans-Pacific Partnership was held hostage to disagreements between the United States and Japan, leaving unresolved issues such as pharmaceutical patents with Malaysia and the reform of state-owned enterprises with Vietnam. In January Myanmar assumed chairmanship of ASEAN for the first time. The acid test of this new responsibility is reckoned to be keeping on track ASEAN’s policy on the South China Sea in the face of Chinese pressure; the situation in Ukraine presents a new challenge to the group. Relations between Washington and Nay Pyi Taw are slowing over continued violence in Rakhine State. In the meantime, a rift has developed between Congress and the Obama administration over relations with Myanmar’s military. Washington watched the Thai political crisis with concern but, as have other external powers, could do little to help resolve it.

Malaysia trip

No US president had visited Malaysia since Lyndon Johnson did so in 1966, and the historic nature of President Barack Obama’s trip in April was widely noted. However, implicit comparisons were also made to Vice President Albert Gore’s visit in 1998, and the war of words between Gore and then-Prime Minister Mahathir Mohamad over the trial of Deputy Prime Minister Anwar Ibrahim. With charges against Anwar revived this year, Obama had to pick his way carefully to further a relationship that had changed markedly over the past two decades

while adhering to US human rights concerns. He chose a middle path, sending National Security Advisor Susan Rice to meet Anwar.

This diplomatic dilemma did not appear to diminish the impact of Obama's visit. On April 27, he and Prime Minister Najib Razak, announced the inauguration of the US-Malaysia Comprehensive Partnership, the third such agreement forged between the US and a Southeast Asian partner in recent years (the others being Indonesia in 2010 and Vietnam in 2013). As its title suggests, the Comprehensive Partnership is a policy umbrella, designed to bring together all aspects of the bilateral relationship: political and diplomatic cooperation; trade and investment; education and people-to-people ties; security and defense cooperation; and collaboration on the environment, science and technology, and energy. The driver of the partnership will be the US-Malaysia Senior Officials Dialogue.

Within this basket, however, security and trade are by far the dominant areas. As tensions with China over the South China Sea have increased, even involving James Shoal, Kuala Lumpur has cautiously advanced joint exercises and other forms of security cooperation with Washington, with an emphasis on maritime security. As an adjunct deliverable to Obama's visit, Malaysia endorsed the Proliferation Security Initiative (PSI) on April 27. Obama also signed commercial agreements valued at \$2 billion in such areas as biotech and aviation, and noted that the US is Malaysia's largest source of foreign direct investment.

However, intellectual property rights (IPR) issues in the TPP, particularly those that would extend patents on pharmaceuticals and so keep prices of certain medicines high, are a key area of dispute in US-Malaysia trade relations. Kuala Lumpur maintains that IPR issues are sensitive in the domestic political environment – former Prime Minister Mahathir is a sharp critic of the TPP for this reason, but they are increasingly critical to US domestic politics as well. More than 50 percent of the companies that drive the US export sector are IPR-intensive; moreover, the US has 35 percent of its foreign direct investment (FDI) in the developing and newly-developed world, in contrast to the European Union, which has only 12 percent of its FDI outside the West and Japan. When the US and Japan resolve their differences over the TPP, which lie in such areas as beef and automobiles, Washington is likely to lean on Tokyo to support its IPR position in the negotiations. IPR issues distinguish the TPP from the US-European Union Trans-Atlantic Trade and Investment Partnership (TTIP), also under negotiation and give the TTIP a greater chance of getting to the finish line before the TPP.

Partnerships in perspective

Obama's trip subtly called into question the structure of US security relations in Southeast Asia. His visit to the Philippines, his first as president, centered on security and on strengthening the US-Philippine alliance in accordance with post-Cold War Southeast Asian sensitivities. The Enhanced Defense Cooperation Agreement (EDCA), signed in Manila on April 27 by Ambassador Philip Goldberg and Philippine Defense Secretary Voltaire Gazmin, is a ten-year pact that will give US forces greater access to selected military bases, on a temporary and rotational basis, and permit prepositioning of some equipment. Precise numbers of US troops and sites are still to be determined, and are likely to be guided by joint military activities rather than unilateral US moves. National Security Council Senior Director for Asia Evan Medeiros

has indicated that the US hopes Subic Bay will be one facility open to the US under EDCA. The agreement states specifically that the US would “not establish a permanent military presence or base in the Philippines” – a red line for even the most US-friendly Southeast Asian country – and that Philippine officials would have complete access to any areas to be shared with US forces. As an executive agreement, the EDCA does not require ratification by either country’s legislature.

The EDCA is the logical next step in the Pentagon’s cautious attempt to expand flexible basing in the Asia-Pacific region, following the agreement with Australia to rotate US Marines through Darwin and the accord with Singapore to permit the US Navy to rotate four littoral combat ships. However, the Pentagon may be tapped out for other flexible basing opportunities in Southeast Asia for the time being. In early 2013, when PACOM expressed interest in helping develop Utapao Naval Air Base in Thailand’s upper south as a regional hub for humanitarian assistance, in response to Thai government requests, the resulting domestic firestorm caused both sides to pull back. The latest surge of the Thai political crisis, which began last November, has kept this issue off the table, although other aspects of the US-Thailand security relationship have continued, including the annual *Cobra Gold* exercises in February. Nor is Vietnam likely to agree to enhanced access for the US in Cam Rahn Bay or other facilities, despite a growing number of port visits and other aspects of military engagement, such as US support for training Vietnamese forces in peacekeeping operations.

Enhanced US-Philippine security cooperation also raises issues in Manila of Washington’s support for the Philippines in the South China Sea. A greater US military presence in the Philippines could act as a deterrent to skirmishes between Chinese and Philippine vessels, but it also runs the risk of riling Beijing. Although President Obama declared the US-Philippine alliance to be “ironclad” during his visit, the extent of alliance solidarity is still a matter of interpretation. For example, the United States advocates the resolution of maritime disputes through international legal means, but US policymakers have taken pains to clarify that support for this principle does not necessarily imply endorsement of the Philippines’ case against China in the UN Law of the Sea tribunal (but neither does it exclude such support).

In his joint press conference with Philippine President Benigno Aquino III, Obama characterized the security relationship as “the oldest security treaty alliance that we have in Asia,” a claim that, although technically correct, may raise objections from Thailand, which points to the 1833 US-Thailand Treaty of Amity and Commerce as the longest continuous US alliance in Asia. But the model of a treaty alliance will be increasingly tested in Southeast Asia into the 21st century. The growing trend is away from formal alliances and toward “partnerships,” which are assumed to include security cooperation but encompass all other areas of policy as well. The broad scope of these arrangements provides a common bureaucratic mechanism to hold disparate elements of policy together, and they also offer some stability. Secretary Kerry’s visit to Indonesia in February, in the context of a joint meeting of the US-Indonesia Comprehensive Partnership, signaled continuity in the relationship as Indonesia faces new national elections this year.

The highest of these new agreements is a “strategic partnership,” which the US has with Singapore, with a “comprehensive partnership” ranking below that. China holds several bilateral strategic partnerships (often labelled “comprehensive strategic partnerships”) with Southeast Asian countries – ranging from Thailand to Vietnam – as well as one with ASEAN as a whole.

All sides acknowledge that there is a certain amount of wordsmithing attendant to the formation of these partnerships, but also that they allow Southeast Asian countries to balance relations among external powers without forming alliances *per se*. However, the US tends to view a “strategic partnership” as primarily a security vehicle, while Southeast Asian countries view them as a broader instrument. Thus, in 2006 Thailand briefly proposed moving from a treaty alliance to a strategic partnership, which Bangkok considered an enhancement of relations but Washington viewed as a downgrade. Vietnam was disappointed to negotiate only a “comprehensive partnership” with Washington rather than a strategic one in 2013, although Secretary Kerry’s visit to Vietnam last December convinced Hanoi that the current partnership is a boon to enhanced cooperation.

Maintaining “ASEAN Centrality”

After Obama’s visit to Malaysia and the Philippines, the high point of US relations with Southeast Asia in 2014 thus far has been the US-ASEAN Defense Ministers Meeting in Honolulu in early April, hosted by Secretary of Defense Chuck Hagel. In recent years, ASEAN defense ministers have met with their US counterpart in the fall and with China in the spring, in Asia. The Honolulu meeting was out of that cycle and, for the first time, held in the US. This raises the possibility of doubling the number of US-ASEAN defense meetings, if Nay Pyi Taw invites the US to meet again in the fall. (If ASEAN decides to do so, it will likely double the number of its meetings with China as well.) The Honolulu meeting also advanced US bilateral security relations with some countries: for example, it represented the first time that defense ministers from Myanmar and Laos had made official visits to the United States.

Secretary Hagel included US Agency for International Development Administrator Rajiv Shah and ASEAN Secretary-General Le Luong Minh in the meeting. These invitations were important acknowledgments of the prominence of humanitarian assistance and disaster relief (HADR) in the agenda of the ASEAN Defense Ministers Meeting process, and of “ASEAN centrality” in the process as well. That said, the meeting raises issues about the role of an ASEAN-led regional defense framework versus once led by one or more regional powers. Most responses to disasters - from the 2004 Boxing Day tsunami to Typhoon *Haiyan* to the search for MH370 - take the form of *ad hoc* partnerships in which external powers (the US, Japan, India, Australia) take prominent roles. In addition, *Cobra Gold* remains the largest multilateral security exercise in the world, with several Southeast Asian countries (Thailand, Indonesia, Malaysia, and Singapore) as full partners. Nevertheless, ASEAN can play a critical role; after Cyclone *Nargis* struck Myanmar in 2008, for example, ASEAN persuaded the reluctant junta in place at the time to allow international aid in affected areas.

The first ASEAN Defense Ministers Meeting in 2014, which is scheduled to be held in Nay Pyi Taw in late May, will oversee the rotation of co-chairs of the Expert Working Groups (EWG’s), the heart of the ADMM and the ADMM-Plus process. Vietnam and China will rotate out of the Humanitarian Assistance and Disaster Relief EWG, with the co-chairs taken up by Laos and Japan. Singapore and Japan will yield co-chairmanship of the Military Medicine EWG to Thailand and Russia. The EWG for Maritime Security will shift co-chairs from Malaysia and Australia to Brunei and New Zealand. The Peacekeeping EWG will be chaired by Cambodia

and South Korea, replacing the Philippines and New Zealand. The Counter-Terrorism EWG will be co-chaired by Singapore and Australia, replacing Indonesia and the US. A new EWG for Mine Deactivation, established at the end of 2013, will be co-chaired by Vietnam and India.

The ADMM and its network of EWGs remain the hallmarks of ASEAN's movement toward a security community. As has been the case since ASEAN's inception in 1967, the member governments are less comfortable with more sensitive security issues. Over the past month, the 10 nations have episodically attempted, without success, to formulate a common position on the situation in Ukraine. This problem places Vietnam in a particular dilemma; the popular protests that ousted Prime Minister Viktor Yanukovich and other uprisings in post-Leninist states are more worrisome to Hanoi than the political turmoil in nearby Thailand. However, the annexation of Crimea and Russia's activities on the Ukraine border also alarm Vietnamese officials for the seeming disregard of Westphalian principles, despite the fact that Vietnamese-Russian relations are on an upswing. Other ASEAN members are less invested in the issue but nevertheless uncomfortable with criticizing an external partner. A common position is not likely to emerge, but ASEAN will be wary of this issue, if only to ensure that it does not play a negative role in the ASEAN Regional Forum and the East Asia Summit.

Reality check in US-Myanmar relations?

The most high-profile bilateral US relationship in Southeast Asia in the Obama presidency has been with Myanmar. Responding to the current government's political and economic reform platform, diplomatic relations have gradually normalized. The administration and Congress have been largely in agreement on normalization, with executive orders suspending most sanctions, although the five sanctions laws remain on the books. However, in the early months of 2014 increasing daylight between the two branches of government has emerged.

Two issues characterize this new breach. The first is the scope and tenor of US-Myanmar military-to-military relations. At a Dec. 4, 2013 oversight hearing by the House International Affairs Committee, Congress made clear its opposition to providing funds to Myanmar for International Military Education and Training (IMET) program, while administration officials made equally clear their belief that such training would benefit the broader reform process in Myanmar by engaging the military.

An adjacent issue is the list of Specially Designated Nationals (SDN), of individuals and organizations tagged for visa sanctions and asset seizure. The Treasury Department manages the SDN list, in conjunction with the State Department, for several countries. The SDN list for Myanmar focuses on former regime officials and other "cronies." Under pressure from US businesses, third countries such as Japan eager to expand their investments in Myanmar, and the Myanmar government itself, the two agencies are reportedly reviewing the SDN list. Any additions or subtractions to the list are likely to be announced in the summer when the administration must renew its executive orders on Myanmar sanctions.

The second issue is rising communal violence in Myanmar, particularly against Muslims in the western state of Rakhine. Violent attacks against international aid groups in Rakhine have raised concerns in Congress as well as in the administration. The collected weight of these concerns has caused Congress to tighten the reins slightly on funding for Myanmar. In the spending report

for the Fiscal Year 2015 budget, Congress directed the State Department to submit a report on US policy to promote democracy and human rights in Myanmar. The report is to be handled by the Bureau of Democracy, Human Rights and Labor (DRL), which is likely to take a more stringent line on this issue than the Bureau of East Asian/Pacific Affairs. With the possibility of the return of sanctions, the Myanmar government has intensified its attempts to persuade Congress to repeal the existing sanctions laws, a step it considers necessary to build US investor confidence in Myanmar. There is virtually no possibility of this before Myanmar's national elections in late 2015, and only then if Congress believes the elections have been a major step toward genuine democracy in Myanmar.

Although it is more difficult to codify than military relations or anti-Muslim violence, many members of Congress are concerned about the outcome of the 2015 Myanmar elections as well. Aung Sang Suu Kyi, leader of the National League for Democracy and now a member of Parliament, continues to be barred from becoming president under Article 59F of the constitution, which forbids citizens whose family members have foreign nationality from becoming president or vice president. Suu Kyi has lobbied vigorously for revision of this and other constitutional provisions which disadvantage the political opposition. Although there is broad support in the US policy community for her stand on this issues, some of her supporters express disappointment that she has not taken a more vigorous stand in opposing communal violence. Her transition from icon to politician contributes to growing awareness in Washington that the low-hanging fruit in US-Myanmar relations has been picked, and that strengthening relations will be more of an effort on both sides.

The year ahead

With President Obama just back from his Southeast Asia trip, the region is already anticipating his return in November, for the East Asia Summit in Nay Pyi Taw. With this prospect, Myanmar will likely pass the litmus test of keeping the South China Sea (or a more vague reference to maritime security) on the agenda of the ASEAN Regional Forum in August. However, progress on domestic reform – most importantly on curbing violence against Muslims – will also affect the administration's decision on Obama's trip. Hanoi is hoping to welcome the president on a stopover to the EAS (or the APEC or G20 meetings); toward that end, pressure on Vietnam will intensify to release more bloggers and other political prisoners.

Progress on the TPP will be slow, and the 12 negotiating partners may not finalize an agreement by the end of the year. However, ASEAN will be preoccupied with completing the ASEAN Economic Community in time for its publicized roll-out in 2015; Kuala Lumpur and Manila are not likely to object strenuously if TPP negotiations carry over into next year. Domestic political events ranging from national elections in Indonesia to a resolution (or its lack) of the Thai political crisis will affect a number of US bilateral relations in Southeast Asia in the short-term.

Chronology of US - Southeast Asian Relations January - April 2014

Jan. 1, 2014: Myanmar assumes chairmanship of ASEAN for the first time, having been passed over for that role in 2004.

Jan. 12-17, 2014: Malaysian Defense Minister Min Hishamuddin Hussein visits Hawaii and Washington, his first official visit to the United States. His visit sparks the announcement of increased joint exercises and training between the US and Malaysian militaries.

Jan. 15, 2014: Manila announces its intention to acquire two more ships from the United States, a follow-on from Secretary of State John Kerry's visit to the Philippines in December.

Jan. 17, 2014: Myanmar hosts its first ASEAN meeting, a foreign ministers retreat in Bagan.

Jan. 21, 2014: State Department issues a statement of concern on increased violence in Bangkok in the ongoing political crisis, which has resulted in several casualties and injuries.

Jan. 30, 2014: Evan Medeiros, National Security Council senior director for Asia, cautions China against setting up an air defense identification zone (ADIZ) in the South China Sea, similar to the one Beijing established in 2013 in the East China Sea. Medeiros warns that doing so could result in a shift in US military posture in the region.

Jan. 31, 2014: Myanmar's Constitutional Review Joint Committee, a Parliamentary group charged with recommending revisions to the 2008 constitution, issues its report. The 109-member body supports greater decentralization, but is silent on more high-profile political issues. This includes provisions in the constitution that prohibit individuals from becoming president if their spouses or children hold foreign citizenship and reserve 25 percent of parliamentary seats for the military.

Feb. 2, 2014: General elections are held in Thailand. The opposition Democratic Party boycotts the polls and the People's Democratic Reform Committee obstructs some voting. This eventually causes the Constitutional Court to nullify the elections.

Feb. 5, 2014: Tag-teaming with Medeiros' Jan. 30 statement, Assistant Secretary of State for East Asian and Pacific Affairs Danny Russel says that China's use of a "nine-dash line" to claim territories in the South China Sea is not based on land features and is therefore inconsistent with international law.

Feb. 11-21, 2104: Despite the political crisis in Thailand, Bangkok and Washington co-host the 33rd annual *Cobra Gold* exercises, along with co-partners Japan, South Korea, Singapore, Malaysia, Indonesia, and several observers.

Feb. 12, 2014: State Department signs an agreement with the Lao Ministry of Education to fund educational programs on unexploded ordnance (UXO).

Feb. 16-17: Secretary Kerry visits Jakarta and co-hosts the fourth Joint Commission Meeting of the US-Indonesia Comprehensive Partnership with Foreign Minister Marty Natalegawa.

Feb. 18, 2014: Officials from the Philippines, Malaysia, and Vietnam meet in Manila to coordinate policy regarding Chinese activities in the South China Sea. Fellow claimant Brunei fails to send representatives to the meeting, despite originally agreeing to attend.

Feb. 22-25, 2014: A Ministerial Meeting of the Trans-Pacific Trade Partnership (TPP) is held in Singapore. It fails to make significant progress, and no specific date is set for the next round of negotiations.

Feb. 26, 2014: State Department releases the 2013 Human Rights Reports. Myanmar's human rights situation are described as improving, while Vietnam is called out for its detention of such bloggers as Le Quoc Quan.

March 2-8, 2014: Undersecretary of State for Political Affairs Wendy Sherman leads delegation to Vietnam, Myanmar, and Malaysia.

March 4, 2014: Office of the US Trade Representative (USTR) releases its 2014 trade agenda, which lists the TPP as a top priority.

March 5, 2014: A 2013 Department of Defense report to Congress on Myanmar's relationship with North Korea is made public. It states that Myanmar continues to distance itself from Pyongyang but still receives some conventional arms and may also be receiving equipment for ballistic missiles.

March 7, 2014: Malaysian Court of Appeals overturns an earlier acquittal of opposition leader Anwar Ibrahim on sodomy charges, but defers his five-year prison sentence to allow for appeal. Anwar's defenders charge that the move is political, to prevent Anwar from contesting the by-election in Selangor on March 23.

March 8, 2014: Malaysia Airlines announces that its Flight MH370, a scheduled international passenger flight from Kuala Lumpur to Beijing, lost contact with air traffic control less than an hour after take-off. Six hours later the airline declares the plane missing and a search that will involve 26 countries begins.

March 9, 2014: Chinese ships patrol near Second Thomas Shoal in the South China Sea and expel Philippine vessels that the Chinese claim are carrying materials to build permanent structures on the Shoal.

March 11, 2014: Vietnamese Finance Minister Dinh Tien Dung visits Washington to meet with Treasury Secretary Jack Lew. They discuss TPP and bilateral trade issues.

March 24, 2014: Malaysian government announces that Flight MH370 is believed to have crashed in a remote area of the Indian Ocean west of Perth, Australia.

March 25, 2014: Committee on Foreign Affairs of the House of Representatives passes House Resolution 418, which "Calls on: (1) Burma to end the persecution and discrimination of the Rohingya people and ensure respect for internationally recognized human rights for all ethnic

and religious minority groups, and (2) the United States and the international community to put consistent pressure on Burma to end such persecution and discrimination.”

March 27, 2014: Manila signs the Comprehensive Agreement on the Bangsamoro with the Moro Islamic Liberation Front (MILF), an achievement not only of the two sides but also of Malaysia, which had helped to mediate negotiations for over a decade.

March 30, 2014: The Philippines files a 4,000-page document with a United Nations Law of the Sea tribunal in The Hague in support of its case against China on the “nine-dash line” and related issues. US State Department issues a statement reaffirming its support for “the exercise of peaceful means to resolve maritime disputes.”

April 1-3, 2014: Secretary of Defense Chuck Hagel hosts a meeting with the ASEAN Defense Ministers in Honolulu, the first US-ADMM held in the United States.

April 2, 2014: State Department issues a statement of concern on the humanitarian crisis in Myanmar’s Rakhine State and attacks on United Nations and non-governmental groups that provide services to internally displaced persons in Rakhine.

April 8-14, 2014: United States and Vietnam hold joint non-combat naval exercises, focusing on search-and-rescue and military medicine. Two US ships and 400 US personnel are involved.

April 8, 2014: Assistant Secretary Danny Russel visits Bangkok and delivers a letter from Secretary Kerry warning against a military coup as a response to the political crisis.

April 10, 2014: Assistant Secretary Russel visits Myanmar and meets President Thein Sein. They discuss Nay Pyi Taw’s ASEAN chairmanship and the situation in Rakhine State.

April 22, 2014: Thai political crisis does not prevent Bangkok from co-hosting (with China) an ASEAN Senior Officials Meeting on a Code of Conduct on the South China Sea, in Thailand.

April 26-27, 2014: President Obama visits Malaysia. He meets Prime Minister Najib Razak and civil society groups. In keeping with the administration’s Young Southeast Asian Leaders Initiative announced in December, Obama also meets with youth groups.

April 27, 2014: A day before President Obama is scheduled to arrive in Manila, the United States and the Philippines sign the Enhanced Defense Cooperation Agreement.

April 28, 2014: The Philippines and the US sign a 10-year Enhanced Defense Cooperation Agreement (EDCA) that allows US military forces to access military bases in the country.

April 28-29, 2014: President Obama visits the Philippines.