

U.S.-ASEAN Relations:

The United States and Southeast Asia: Blowing Hot and Cold

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In his November valedictory visit to Southeast Asia, U.S. President Bill Clinton was enthusiastically welcomed by the people of Vietnam. Clinton's message was that economic growth and political liberalization are inextricably linked. The Vietnam communist party and government leaders had a more jaundiced view, reminding their people of the history of "American imperialism" in Indochina and warning against the political subversion of party authority. Indonesia's continued political and economic turmoil enveloped the U.S. diplomatic presence as U.S. Ambassador Gelbard's criticism of Jakarta's inaction in disarming West Timor's militias led to allegations of American interference in Indonesian affairs. The United States seemed to become a whipping boy for political infighting among contending Indonesian elite. Meanwhile, ASEAN defense chiefs took a tentative step toward greater cooperation with U.S. Pacific Command endorsement.

Clinton in Vietnam: Business, Freedom, and MIAs

In the first trip of an American president to Vietnam since Richard Nixon visited U.S. troops in 1969, President Clinton was greeted by enthusiastic crowds in both Hanoi and Ho Chi Minh City (Saigon) from November 17-19 despite Vietnamese official efforts to downplay his presence. "Vietnam is a country, not a war" was the unofficial theme of a visit that sought to spotlight business opportunities for U.S. companies. To that end, more than 50 U.S. executives accompanied Clinton, from such giants as Boeing, Coca-Cola, Nike, and General Electric. The only remnant of the Vietnam War on the president's agenda was the continuation of joint U.S.-Vietnamese search efforts for 1,902 still unaccounted for U.S. personnel dating back to the Vietnam War. According to Carl Thayer, a Vietnam expert at the Asia-Pacific Center for Security Studies in Honolulu, as long as the MIA (missing in action) issue dominates the U.S. agenda, fully normal relations with Vietnam will not occur.

Mr. Clinton lifted the U.S. trade embargo from Vietnam in 1994, and for the first few years thereafter U.S. investment pledges reached \$8 billion. However, red tape, corruption, a primitive and arbitrary legal system, and a retreat from economic reforms by the party leadership caused many of these businesses to withdraw. By 1999, foreign investment was at a seven-year low of \$800 million.

Hopes for a business revival hinge on the July 2000 U.S. trade agreement signed with Vietnam. [See Samantha Ravich, "Tragedy and Uncertainty for Some, Potential Benefits for Others," *Comparative Connections*, Vol. 2, No. 3.] While the United States has been the engine of growth for other Asian exporters, it is only the tenth largest investor in Vietnam with two-way trade in 1999 at less than \$1 billion. In theory, under the July trade accord, Vietnam has agreed to the reduction or elimination of a large number of trade barriers as well as protection for U.S. investment and intellectual property rights. However, its implementation is to occur only gradually over seven years, a slow pace that has discouraged many prospective new investors. Nevertheless, the World Bank estimates that once the trade agreement takes effect, Vietnam's exports to the United States will increase by more than 50 percent.

Hanoi's officially restrained treatment of the U.S. president's visit reflects a fierce division within the government over whether prospects for foreign investment-led economic development outweigh the threat to communist party rule. Party leader Le Kha Phieu warned in February 2000 that the Americans "continue to seek ways to completely wipe out the remaining socialist countries...We should never relax our vigilance for a minute."

To counter these suspicions, in his November 17 state dinner speech, Mr. Clinton called for more openness in Vietnamese society, but also declared that "we do not seek to impose these ideals, nor could we." In a private meeting with the U.S. president, Prime Minister Phan Van Khai pointedly remarked that "we may have different definitions of human rights." For Vietnam, the right to eat and get an education took precedence over the U.S. agenda.

Televised nationwide and translated by a Vietnamese government interpreter, President Clinton plowed familiar ground in his speech to the National University in Hanoi, stressing the mutual dependence fostered by globalization. He told the student elite of the country that "your next job may well depend on foreign trade and investment...Only you can decide how to weave individual liberties and human rights into the rich and strong fabric of Vietnamese national identity." The national press carried none of these remarks the next day, however.

The U.S. president repeated his praise for "entrepreneurship, innovation, and competition" in Ho Chi Minh City and risked further irritating party officials when he made an unannounced visit to the city's Roman Catholic archbishop. Prime Minister Phieu irritably noted that while Vietnam respects "the political systems of other countries, we in turn demand that other nations respect our people's choices." The subtext of these exchanges included the Vietnam communist party's fear of the subversive effects of a free market on the party's political control of the society--a prospect both Chinese and Vietnamese authorities derisively condemn as "peaceful evolution."

While Mr. Clinton ostensibly celebrated reconciliation in Vietnam, he also insisted that its government could not overcome the forces of global economic integration. If Vietnam was to enjoy the benefits of the global economy, it must create a fair and transparent legal system, allow free travel, open access to the internet, and ultimately liberalize the political system. Mr. Phieu's response was that Vietnam had no intention of abandoning socialism and that the state sector would remain dominant with political sensitive technologies under state control. By contrast, the "mayor" of Ho Chi Minh City spoke proudly to Mr. Clinton about the dynamic private sector in his city and how its economic growth had reduced the city's poverty.

Finally, it should be noted that although the United States provides Vietnam with about \$12 million per year in aid for education and AIDS treatment, Hanoi actually returns \$15 million a year to the United States in debt servicing it agreed to assume for the former South Vietnam government. Further, the U.S. has yet to agree to help clean up the environment polluted during the war by the use of herbicides, though Washington is cooperating with the Vietnamese on scientific studies.

Indonesian Unrest Embroils the United States

Separatist violence and religious strife continue to plague Indonesia and weaken President Abdurrahman Wahid's government. In Aceh, the Moluccas, West Timor, and West Kalimantan, the government appears unable to maintain order or protect human rights. Indeed, soldiers and police are frequently among the perpetrators of abuse. In Aceh and West Timor particularly, the situation is so chaotic that international aid agencies have withdrawn their personnel in fear for their safety. Human rights groups estimate that more than 3,000 Indonesians have died this year in regional violence and tens of thousands have become internal refugees. Although the international community regularly endorses the maintenance of Indonesia's territorial integrity, the blatant human rights violations have also elicited a chorus of international condemnation.

The United States has warned Indonesia that it could lose vital aid if it does not disband military-backed militias that intimidate local populations. Yet, the fraying of the military chain of command from Jakarta suggests that local armed forces in such places as West Timor and Irian Jaya (Papua) are essentially autonomous. Instead of winding down, UN reports from West Timor state that the militias were increasingly well armed, trained, and supplied.

U.S. and World Bank threats to withhold aid may be hollow, however, given Indonesia's geopolitical importance for Southeast Asia. Indonesia owes the rest of the world more than \$60 billion so that almost two-thirds of the international donor group aid goes to service that debt while the rest will offset roughly 40 percent of the government's projected budget deficit for 2001. By late October, the World Bank-led Consultative Group on Indonesia came up with over \$5.3 billion in aid despite the belief of many that the government's ability to bring peace and order to the country was virtually nonexistent.

Western pressures on Indonesia have elicited countervailing attacks on the U.S. from both elements in the government and Islamic radicals. Radical Islamic youth groups, reacting to recent fighting between Israelis and Palestinians, staged protests in mid-October against Israel and the United States in Jakarta and other major cities across the archipelago. These general complaints about U.S. support for Israel escalated into threats against the U.S. Embassy in Jakarta in late October, leading to the suspension of consular services. Simultaneously, the Indonesian Foreign Minister, Alwi Shihab, announced that death threats had been directed against U.S. Ambassador Robert Gelbard. While the Foreign Minister attempted to reassure the U.S. ambassador, Indonesia's Defense Minister Mohammad Mahfud accused the ambassador of interfering in Indonesian army affairs by backing a reformist general for the army's top post. The embassy replied that it was "dismayed and perplexed" by Mahfud's "false charges."

In effect, the United States had become a lightning rod for conflicts within the Indonesian leadership. Ambassador Gelbard, recently U.S. special envoy to Bosnia, strongly criticized Indonesia for failing to bring the military under greater civilian control and to disarm militia gangs that were accused of killing three UN refugee workers in West Timor in September. Gelbard's outspokenness was considered a breach of etiquette in Java, where conflicts are typically settled in a non-confrontational style. Moreover, the verbal assaults on the ambassador seem to be an effort by Defense Minister Mahfud, who has no constituency in the boiling cauldron of Indonesian politics, to establish his *bona fides* with the military and to disrupt the reform movement within its ranks. Mahfud even threatened to have the U.S. ambassador expelled, a statement quickly repudiated by President Wahid who pointedly stated that Ambassador Gelbard should be treated with the honor accorded to a foreign envoy. Defense Minister Mahfud also claimed that the U.S. ambassador had intervened on behalf of an alleged U.S. spy, whom the Foreign Ministry later said was simply an American tourist.

Efforts by President Wahid and Foreign Minister Shihab to rein in Mr. Mahfud undoubtedly reflect the fact that the United States is Indonesia's biggest foreign investor and the ultimate source of much of the aid that flows to the country from multilateral lenders. Nonetheless, these high level allegations precipitated an attack by Muslim youths on the U.S. consulate in Surabaya in late October as well as a bizarre incident in the central Java city of Solo where over 100 Muslim youth searched the town's hotels for Americans to expel. (They found none.)

George W. Bush's election elicited an expression of hope from the Indonesian Foreign Minister that the United States would ease pressure on human rights and environmental issues and thus help to restore good relations.

USCINCPAC Cements Regional Ties

The United States increased military ties with the Philippines and Thailand in recent months. Defense officials from the Philippines and the U.S. are completing a joint study on Manila's military modernization needs. Subsequent to the signing of the 1999 Visiting Forces Agreement between the two countries, the United States is making \$2

million aid available, discussing the transfer of a C-130 cargo plane, has begun counterterrorism training for Philippine special forces, and has inaugurated a \$1.4 million International Military and Education Training (IMET) Program for Philippine officers in the United States.

The joint Philippine-U.S. defense assessment is a tooth-to-tail affair addressing three areas: strategy and missions, capabilities, and resource allocations. However, a U.S. official cautioned that this should not be seen as a pledge of U.S. assistance to reach plan goals. In fact, Philippine military modernization plans have been stalled since the onset of the 1997 Asian financial crisis. Up to the time that U.S. forces left the Philippine bases in 1992, Manila received nearly \$100 million annually in military grants. These ended when the U.S. forces left.

Meanwhile, the current Philippine political crisis centering on President Joseph Estrada's impeachment trial in the Senate has negatively affected international investment in the country. Even though the Philippines' overall economic performance was considered favorable in 2000, Islamic and communist terrorist actions in Mindanao and Luzon combined with the impeachment have worried the domestic and international business communities about the country's future stability. Many investment decisions have either been postponed or withdrawn.

In Thailand, at the end of September, U.S. Commander in Chief, Pacific (USCINCPAC) Admiral Dennis Blair met with the Thai Armed Forces Supreme Commander General Sampao Chusuri to work out a counternarcotics training program. This is aimed at enhancing Thai efforts to control the flow of methamphetamines into the country from illegal laboratories in Myanmar. Thailand is particularly interested in acquiring Blackhawk utility helicopters and night vision equipment.

In a gesture to Indonesia, the United States in late September lifted its spare parts embargo so that Jakarta's C-130s could fly again. Put in place in September 1999, the embargo was meant to pressure the Indonesian government to bring alleged perpetrators of human rights abuses in East Timor to justice. The partial lifting of the embargo acknowledges the trials taking place in Jakarta as well as the country's desperate need to provide logistics for far-flung parts of the archipelago.

A path-breaking late November meeting in Thailand of top commanders of the ASEAN states led to an agreement to collaborate on disaster and humanitarian relief missions. While the ASEAN Regional Forum regularly looks at security issues, the November meeting was the first time ASEAN military commanders assembled to discuss cooperative security. U.S. Army Chief of Staff General Eric Shinseki addressed the meeting but did not take part in its deliberations. The meeting was initiated by Thai Armed Forces Commander General Surayud Chulanont. Another Thai participant noted that General Surayud was inspired, in part, by Admiral Blair's call for increased multilateral cooperation in the Asia Pacific region. According to the U.S. Pacific Command's public affairs chief, Admiral Blair wants to emphasize the importance of multilateral exercises and focus less on military threats than on "shared interests in

peaceful development” and on “common security challenges” posed by drug trafficking, piracy, terrorism, international crime, and natural disasters. With this in mind, three annual bilateral exercises--“Tandem Thrust” with Australia in May, “Cobra Gold” with Thailand in May-June, and “Balikatan” with the Philippines in June--will for the first time be linked under the rubric “Team Challenge.” These exercises will involve humanitarian assistance and disaster relief scenarios to which China has for the first time been invited to send military observers. To date, no reply has been received from Beijing.

Future Challenges

There are clouds on Southeast Asia’s economic and political horizon. While the region has substantially rebounded from the 1997-98 financial crisis, bank debt remains high in most countries, economic reforms are incomplete, and a slowing U.S. economy threatens the continuation of Southeast Asia’s export-led recovery. Politically, turmoil in Indonesia has not abated. President Wahid’s future is problematic as is his promotion of religious and ethnic pluralism; separatist movements persist; and the economy shows little vitality.

In addition, the Philippine impeachment crisis has raised fears of military intervention if President Estrada is acquitted in the Senate. Should military intervention occur--and this author believes the probability is relatively slight--it is unlikely to lead to a military regime but rather support for Vice President Gloria Macapagal-Arroyo’s accession.

Chronology of U.S.-ASEAN Relations October-December 2000

Oct. 2000: U.S. announces that Vietnam, Brunei, Indonesia, Malaysia, and Singapore will be invited to the first “Team Challenge” joint military exercise scheduled for the second quarter of 2001.

Oct. 4, 2000: The U.S. and the World Bank warn Indonesia it could lose vital aid if it does not disband the militias still active in West Timor.

Oct. 11, 2000: Under the U.S. Foreign Military Sales Program, the Department of Defense approves Singapore’s purchase of 100 Advanced Medium-Range Air-to-Air missiles. The U.S. also donates \$1.8 million worth of mine clearance equipment to the Vietnam Peoples Army. The Vietnam Veterans of America is given \$1.4 million to search for unexploded ordnance in Vietnam.

Oct. 14, 2000: In the U.S.-led “Pacific Reach” exercise, Japan participates with a Southeast Asian navy (Singapore) for the first time in search and rescue operations.

Oct. 14, 2000: Thousands of anti-Israeli Muslim protesters in Jakarta accuse the U.S. of backing Israel and desecrate Israeli and American flags.

Oct. 16, 2000: Indonesian Defense Minister Mahfud claims the U.S. sought to influence the selection of Indonesia's new army chief. The accusation is vigorously denied by the U.S. Embassy.

Oct. 2000: After a late September meeting in Bangkok, USCINCPAC Admiral Dennis Blair promises to provide the Thai military with counternarcotics training and possibly equipment.

Oct. 19, 2000: Indonesia's biggest foreign donors, including the U.S., agree to extend \$4.8 billion to the country to help offset Jakarta's 2001 deficit. They also add \$530 million in technical assistance, a sign that Indonesia is too important to permit an economic collapse.

Oct. 24, 2000: The U.S. Embassy in Jakarta denies charges by Defense Minister that an American tourist arrested in Irian Jaya was spying. The American is later freed without being charged.

Oct. 24, 2000: Minister Mahfud hints that Indonesia might seek new military ties with China, India, South Korea, and Japan if the United States and Great Britain continue their arms embargo.

Oct. 25, 2000: The U.S. Embassy in Jakarta is closed because of threats to the compound.

Oct. 29, 2000: Militant Muslim youth groups in Solo unsuccessfully search for U.S. citizens to expel from the country, claiming that Washington is fueling Indonesia's unrest and backing Israeli violence against Palestinians.

Nov. 1, 2000: Minister Mahfud insists that U.S. Ambassador Gelbard "mend his ways" or face expulsion--the action is rejected by President Wahid.

Nov. 3, 2000: Malaysian Prime Minister Mahathir denounces seven U.S. Congressmen who filed a pro-Anwar Ibrahim resolution as unfit to hold office.

Nov. 6, 2000: USCINCPAC announces that the Philippine military will receive training from the U.S. to develop an elite counter-terrorist force.

Nov. 7, 2000: Indonesian President Wahid prematurely welcomes the victory of Governor George W. Bush in the U.S. presidential race, stating that he was the better candidate because he is less likely to intervene in world affairs.

Nov. 15, 2000: Malaysia's Trade Minister Rafidah Aziz needled President Clinton at the Brunei APEC meeting on the disputed American election saying that perhaps the "developing countries should send an election watch every time [the U.S.] has a presidential election."

Nov. 16, 2000: Twenty-one APEC nations agree in Brunei to set an agenda for negotiating the elimination of trade barriers beginning in 2001--a victory for the Clinton administration's free trade policy. However, developing countries posted their objections to any imposition of environmental or labor standards.

Nov. 17, 2000: President Clinton becomes the first U.S. president to visit Vietnam since Richard Nixon, conducts an unprecedented live broadcast.

Nov. 18, 2000: Vietnam Communist Party Secretary General Le Kha Phieu lectures President Clinton on American imperialism, a presentation one U.S. official in attendance called "outrageous."

Nov. 21, 2000: ASEAN army chiefs hold a meeting in Thailand with U.S. Army Chief of Staff General Eric Shinseki in attendance.

Nov. 24, 2000: Hanoi instructs its ministries to draw up plans to conform to the requirements of a trade agreement signed with the U.S. last July. Neither side has yet ratified.

Nov. 25, 2000: Cambodian Prime Minister Hun Sen appeals to the U.S. and France to cooperate in tracking down terrorists who attacked government offices earlier in the week.

Nov. 26, 2000: Cambodian police arrest a Cambodian American said to be a leader of the anti-communist rebels who attacked government offices in Phnom Penh.

Nov. 27, 2000: Cambodian authorities assure U.S. Senator John Kerry that it will soon approve the creation of a tribunal, initially promised in July, to try former Khmer Rouge leaders for atrocities. However, there is no evidence that progress is being made to implement the July agreement.

Dec. 5, 2000: President Clinton awards the Presidential Medal of Freedom to Burmese Nobel Prize winner and opposition leader Aung San Suu Kyi.

Dec. 6, 2000: Japan, China, and South Korea are tapped to become observers in next year's annual Thai-U.S. Cobra Gold exercise.

Dec. 6, 2000: Jakarta announces that its Air Force cargo planes will be back in service after the U.S. eases a spare parts embargo.

Dec. 6, 2000: An American veterans group begins a \$500,000 land mine and unexploded bomb removal program in central Vietnam.

Dec. 9, 2000: Indonesia releases five arrested separatist leaders on Irian Jaya after a U.S. State Department complaint that “detentions should have no place in today’s democratic Indonesia.”

Dec. 19, 2000: The Philippine military says it will not revive talks for the release of an American hostage with the Islamic separatist group, Abu Sayyaf, but will rescue him by force.

Dec. 21, 2000: After considering complaints from human rights organizations, the Pentagon announces it will stop importing clothing from Myanmar.

