ASEAN unity wobbled in the final months of 2021, largely over the worsening conflict in Myanmar and the group’s inability to advance the five-point consensus plan it had forged in April. Vaccination rates for COVID-19 picked up, but governments that had hoped to return to pre-pandemic economic growth rates worried that the omicron variant would undo progress that had been made. Political challenges were no less daunting in several countries. The nomination process for May 2022 presidential elections in the Philippines showed that political dynasties are strengthening and may even merge. In Malaysia, the success of the United Malay Organization (UMNO) in state elections raised the prospect that the party will recover some of its former strength, although not its political monopoly. Anti-government demonstrations in Thailand became more perilous for protestors in November when the Constitutional Court ruled that advocating reform of the monarchy, one of the central planks of the protest movement, was tantamount to treason.
The region was also pressed to respond to great power dynamics, most notably to the announcement in September of the Australia/United Kingdom/United States (AUKUS) alliance and to China’s bid to elevate its relations with ASEAN to a comprehensive strategic partnership. At the Quadrilateral Security Dialogue Summit, the four nations opened a window to address nontraditional security threats, which could pull the ASEAN countries closer to the Quad. The Biden administration stepped up diplomacy with ASEAN with a virtual US–ASEAN Summit on the margins of the East Asia Summit in October and Secretary of State Antony Blinken’s first trip to Southeast Asia in his capacity as secretary. Although Southeast Asian leaders welcomed the attention, they are increasingly impatient for Washington to define its economic plans with the region.

Southeast Asia’s Episodic Recovery

The timing of the emergence of the Omicron variant of COVID–19 in the last months of 2021 could not have been worse for Southeast Asia. Although the region is still battling the Delta variant, the World Bank had forecast modest but positive growth rates for nine of the 10 ASEAN states in 2021 (the exception being Myanmar) and brisk growth in 2022. Those predictions were made before the emergence of the Omicron variant and based on the assumption of steady progress on COVID with no significant interruptions. Singapore is forecast to achieve pre–pandemic growth rates in 2022 under these ideal conditions, but most of the region’s governments will not reach that benchmark.

Although Omicron appears to be less contagious and less lethal than preceding variants, the region will still suffer some damage. Cambodia, Indonesia, Malaysia, the Philippines, Singapore, and Thailand have imposed new travel restrictions; these will be most harmful to Thailand, which began re-opening its international tourism sector in early November. Omicron will likely worsen public views of government performance on COVID in Southeast Asia, particularly in countries where major elections are approaching or where political tensions are high. This impact will be exacerbated by uneven vaccination rates in ASEAN, which range from 88% in Singapore to (possibly) 21% in Myanmar, data on the latter being difficult to verify.

The Omicron variant also changes the “vaccine race” between the United States and China in Southeast Asia. Sinovac and Sinopharm, the two most widely–used Chinese vaccines, have thus far been shown to be ineffective against Omicron compared to the MNRA vaccines from the West (primarily Pfizer and Moderna). China will accelerate attempts to develop an Omicron–specific vaccine, but in the meantime the US will have a “soft power” advantage. In round figures, by the end of December the United States had donated over 70 million doses of COVID vaccine to Southeast Asia, bilaterally or through COVAX, the international consortium, with Vietnam, Indonesia, and the Philippines being the largest recipients.

It isn’t clear that the administration’s donations will continue at their current pace, however. These are generally unused vaccines, but the call for wider vaccinations and boosters in the United States in the face of Omicron could diminish these supplies. In the meantime, the Quad continues to work toward its goal of making 1 billion doses available to poorer countries of the Indo–Pacific by the end of 2022, but it is not clear how the emergence of a new variant will affect that timing.

Myanmar Fights While ASEAN Fragments

In the waning months of 2021 the conflict in Myanmar became more lethal and more institutionalized, with both sides—the National Unity Government (NUG) and the State Administration Council (SAC)—hardening their positions. Resistance to the junta moved increasingly from non–violent protest to urban insurgency, with the NUG’s loosely organized People’s Defense Force (PDF) attacking military facilities with improvised explosive devices and assassinating over 700 suspected collaborators of the regime. The PDF remains a grassroots insurgency with little if any command structure, but the NUG is attempting to establish a hierarchy through which attacks can be coordinated. To finance its operations, in November the NUG announced it would sell $1 billion in “sovereign bonds” online and received $9.5 million in the first 24 hours. Most contributions were from overseas Burmese; it is not clear if these funds are applied to PDF insurgency operations, but the possibility has made other donors more cautious. The junta is attempting to block funding flows to the NUG, but most donations are made in the cryptocurrency Tether and are difficult to trace.
The Tatmadaw continued to arrest, detain, and often torture NUG supporters; by year’s end over 1,300 protestors had been killed. The military also stepped up attacks against ethnic minorities it suspected of supporting the opposition, with constant conflict in Chin State, which borders China. On Christmas Eve the Tatmadaw’s attack on Mo So Village in Kayah State, in which women, children, and international aid workers were killed, drew widespread international condemnation and sparked a flow of 4,700 refugees into Thailand.

In the meantime, the regime continued its prosecutions of Aung San Suu Kyi and other National League for Democracy (NLD) leaders. In December Suu Kyi was sentenced to four years in prison on charges of violating COVID rules and obtaining a radio illegally. These are fairly minor charges and the sentence was subsequently reduced to two years. She remains on trial on 10 more charges, however, the most serious of which is for treason, and she is likely to face additional years in prison. There is little question that the regime has been successful in decapitating the NLD through the arrests and trials, and that Suu Kyi and her top lieutenants are unlikely to be released until well after the junta allows new elections. Min Aung Hlaing, the SAC’s prime minister and currently Tatmadaw commander-in-chief, has set those for 2023, but few regard that promise as credible.

Economic warfare

With no end to the conflict in sight and Western sanctions against military assets tightening, the junta is attempting to renew its business ties with key regional actors. In late September SAC Minister of Investment and Foreign Economic Relations Aung Naing Oo met with foreign chambers of commerce in Yangon. China remains the military’s most important economic partner, and the junta is pressing Beijing to accelerate work on its Belt and Road Initiative projects in Myanmar. China is eager in principle to do so but in practice is wary of restarting major projects unless the Tatmadaw can guarantee the security not only of those sites but also of the two Chinese energy pipelines that run through Myanmar.

On Dec. 22 the NUG issued a warning that foreign companies and chambers of commerce doing business with the regime would suffer “reputational and potential security risks.” The latter can reasonably be taken as a threat that these businesses will be targeted for attacks by the PDF. Since the Spring, anti–regime groups have torched factories, particularly Chinese, and called for consumer boycotts (both domestic and foreign) of foreign companies linked to the military. Several foreign companies that continue to operate in Myanmar have some public exposure, such as Siam Cement Group (Thailand); Adani Ports (India); Marga Property Group (Hong Kong); VDB Loi (Malaysia); and SCM Legal (Australia).

The Five-Point Plan flounders

In early October, the ASEAN Special Envoy for Myanmar Erywan Yusof attempted to make his first official visit to Naypyidaw, in line with the ASEAN Five-Point Consensus Plan on the conflict agreed in April. The timing of his visit was critical in view of the major ASEAN meetings at the end of October. On Oct. 14, Yusof aborted the visit when the junta refused him access to detained NLD leaders, however.

This broke open a simmering conflict within ASEAN on representation of Myanmar. Following Yusof’s unsuccessful attempt to visit Myanmar and in view of the fact that none of the tenets of the Five-Point Plan appeared workable, Indonesia and Malaysia urged that ASEAN exclude Min Aung Hlaing or any other junta official from the ASEAN Summit and related meetings in late October. Instead, they offered representation to a “non–political” official from the Myanmar Foreign Ministry who had not been appointed by the regime. The junta refused, and Myanmar was not represented at the ASEAN meetings, including the US–ASEAN Summit.

This ASEAN drama played out against a background of growing international controversy over recognition of a legal government in Myanmar. In September Washington and Beijing brokered a resolution to a credentials fight over Myanmar which allowed Kyaw Moe Tun, appointed by the previous NLD government, to retain his accreditation as Myanmar’s ambassador to the United Nations with the proviso that he be considered politically neutral. The junta pushed back and applied for accreditation with the UN Credentials Committee. On Dec. 1, the Committee deferred any decision on Myanmar, which leaves Kyaw Moe Tun in place for the time being.
But if the international community is willing to deny recognition to the State Administrative Council, it is not necessarily ready to recognize the National Unity Government as the legal government of Myanmar. No country has done so to date, but pressure is building. On Oct. 8 the European Parliament voted to recognize the NUG, although it does not commit individual EU countries to do so. The 2022 National Defense Authorization Act, which Biden signed into law on Dec. 27, provides that the United States will “support and legitimize” the NUG, but does not specify that Washington will extend diplomatic recognition to the shadow government.

In December as Cambodia prepared to assume the 2022 ASEAN Chair, Prime Minister Hun Sen foreshadowed a shift on this issue when he invited the junta’s foreign minister to Phnom Penh and announced he would visit Naypyidaw in January. Hun Sen has been candid in public statements that he does not believe ASEAN can resolve the Myanmar conflict, and that he believes the only avenue of communication at this time is through the generals. If he envisions formal recognition of the junta as the legal government of Myanmar, however, he will encounter roadblocks from some ASEAN members, most notably Indonesia, Malaysia, and Singapore, and continued opposition from the West.

In the Philippines, although COVID will impact elections in May 2022, voters may be more preoccupied with a presidential selection that could determine the direction of the country’s democracy. President Rodrigo Duterte is limited to a single term, but he has attempted to shape the presidential candidates list to ensure that he retains power beyond his term in office. In the fall of 2021 his initial plans failed: his daughter Sara chose to run for vice president instead of president, and his close aide and surrogate Christopher “Bong” Go dropped out of the race in December in the face of discouraging poll numbers. Duterte himself abandoned his intentions to run for the Senate in May, a plan that could have enabled him to lead a pro-Duterte coalition in Congress.

By the end of 2021, the presidential race appears to be well within the grasp of Ferdinand “Bong Bong” Marcos Jr., with Sara Duterte as his running mate. Although most successful candidates for president win by a plurality, Marcos’ percentage in the polls, which by late December ranged from the low 50s to the mid-60s, suggest he could win an absolute majority. His running mate no doubt accounts in part for the robust numbers: before she opted to run for vice president she led the field of presidential hopefuls in the polls.

However, Marcos’ promising candidacy could come to an abrupt end months before the polls. The Philippine Election Commission (COMELEC) is considering several petitions that charge him as ineligible to run because of a prior conviction for tax evasion under a law that was ironically promulgated by his father in the 1970s. COMELEC hopes to make a determination before the formal start of the election campaign on Feb. 8. If Marcos is disqualified, Sara Duterte will likely ally herself with another presidential candidate.

If Marcos survives the petition challenges, the chances of his winning in May are strong. A Marcos/Duterte administration could mean the merger of two political dynasties, neither of them democratically inclined. Bong Bong is buoyed by a wave of nostalgia for his father’s rule—the national distress brought on by the...
pandemic and its economic impact have strengthened the appeal of authoritarianism—and he aims to re-legitimate his family. It is not clear whether Duterte supports his candidacy, however. If Marcos wins and Duterte acts to undermine his administration, he will have two weapons at hand: a daughter in the second chair and some continued political support, in Congress and the public.

Elections are also likely, although not certain, in Malaysia and Thailand in 2022. State elections in Malacca and Sarawak in late 2021 showed surprising electoral support for the United Malay Organization (UMNO) of Prime Minister Ismail Sabri Yaakob. Sabri, the second appointed prime minister of Malaysia since the start of the COVID pandemic, is under pressure from King Al-Sultan Abdullah to hold polls to legitimate his administration. Sabri was initially more concerned with keeping the governing coalition together, and he signed a memo of understanding with the opposition in Parliament that would delay elections at least until August. Moreover, UMNO is roiled with internal divisions and is still recovering from the 1MDB scandal that drove then-Prime Minister Najib Razak from power. The results of the state elections, which showed that the opposition now informally led by Anwar Ibrahim was weaker than anticipated, may persuade Sabri to strike while the iron is hot and hold an early snap election in 2022.

The timing of early polls in Thailand is less predictable. The decision by the Constitutional Court that advocating reform of the monarchy equates with attempting to overthrow the king, and therefore treasonous, is a gift to the Thai conservative establishment, which is heavily royalist. Since the decision, the Election Commission has been petitioned to dissolve Move Forward, the only political party in Parliament to advocate reform of the monarchy. However, Palang Pracharat, the political party established as a vehicle to ease Prime Minister Prayuth’s transition from junta leader to elected prime minister in 2019, suffers from increasing disorder and dissent. Prayuth is unlikely to call early elections until he has built a new political base with another party.

**Washington and Beijing Step Up**

In the final months of 2021 the Biden administration intensified its diplomatic campaign in Southeast Asia with a virtual US-ASEAN Summit on the margins of the year-end cluster of ASEAN meetings that included the ASEAN Summit and the East Asia Summit. Biden pledged $100 million in new funding for Southeast Asia, including programs to counter COVID-19 and to fight climate change.

It is not clear if these funds are related to pledges that resulted from the first in-person summit of the Quad in Washington in September, however. The Quad rolled out a series of initiatives that focused on nontraditional security threats such as pandemics and environmental deterioration. This agenda cast the Quad in a more sympathetic light with some Southeast Asian leaders, but its credibility in the near-term will depend on the group’s ability to deliver on promised assistance, particularly COVID vaccines.

The announcement on Sept. 15 of the establishment of the Australia–United Kingdom–United States (AUKUS) alliance, and its attendant deal to provide Australia with eight nuclear-powered submarines, caught Southeast Asian leaders off guard. Although ASEAN is inclined to oppose initiatives it believes will intensify US-China rivalry, member states were split on AUKUS. The announcement drew praise from the Philippines but criticism from Indonesia. In a five-point statement addressed to Australia, Jakarta warned that AUKUS could threaten Southeast Asia’s status as a “nuclear-free zone.” Australian Prime Minister Scott Morrison repeatedly emphasized that the submarines would be nuclear powered but would not carry nuclear weapons. By November Jakarta had modulated its approach, and Defense Minister Prabowo Subianto said he understood that AUKUS was driven by “pragmatic” considerations on the part of the three allies.
Secretary of State Blinken finished out the Biden administration’s 2021 tag team of high-profile officials traveling to the ASEAN region when he visited Indonesia and Malaysia Dec. 13-15. At the last minute Thailand had been added to his itinerary and, also at the last minute, Blinken’s visit to Bangkok was canceled when a reporter traveling with his delegation tested positive for COVID-19. As a result, Thailand remains the only one of the original five ASEAN states—the ASEAN old guard—that has not yet had a visit from a Biden Cabinet-level official.

Blinken’s only policy speech on the tour, in Jakarta, was largely taken up with China issues. He emphasized not only threats to security but also Chinese economic policies, criticizing Chinese subsidies to state-owned enterprises and “corrupt practices” in China’s infrastructure projects. Blinken added a new note to this familiar refrain with a reference to the millions lost in income and trade for Southeast Asian states due to China’s actions in the South China Sea.

Beyond this rhetorical task, Blinken laid the groundwork for a US-ASEAN Summit in Washington (or, with the Omicron variant, more likely virtual) in January or February, which he hinted would raise US-ASEAN relations to “unprecedented levels.” This was interpreted in some quarters as a reference to the possibility that the United States will follow China and Australia in negotiating a comprehensive strategic partnership (CSP) with ASEAN. Blinken also previewed the release of the administration’s Indo-Pacific Economic Framework, which is now promised for early 2022.

Notwithstanding the fact that Bangkok was cut from the itinerary, Blinken’s trip to Southeast Asia was generally viewed as a success. On Dec. 16, however, five members of the US House chided the administration with a letter complaining that Biden had not yet nominated an ambassador to ASEAN. The administration is still meeting resistance from Senate Republicans over foreign policy nominations and is staggering nominations as a result. Washington has not had a Senate-confirmed ambassador to ASEAN since 2017, and filling this position will be seen as an important sign of the administration’s interest in Southeast Asia.

China’s rhetorical response to these initiatives from Washington has been sharply negative, but its strategy has been to challenge the United States with steps toward greater integration into the Asia-Pacific economy. The Regional Comprehensive Economic Partnership (RCEP) goes into effect in January 2022, and with India out, the new trade regime will be China-centric. More notable was Beijing’s announcement in September, one day after the AUKUS announcement, that it would apply formally to enter the Regional Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the spinoff of the Trans-Pacific Trade Partnership (TPP). This announcement created little interest in Washington but had greater impact in Southeast Asia. China’s accession to the CPTPP is by no means assured, but Beijing’s move will embolden ASEAN states that had expressed interest in applying—notably Indonesia, the Philippines, and Thailand—to consider their options more seriously.

Looking Ahead

As it has for the past two years, COVID will continue to complicate US diplomacy with Southeast Asia in early 2022, beginning with Biden’s US-ASEAN Summit: with the Omicron variant raging, that meeting will likely be virtual. However, the virus will not be the only snag in the summit, since the issue of representation for Myanmar will continue to pick up steam. A year past the inauguration, the administration will come under greater pressure to fill vacant ambassadorial positions in Southeast Asia and to nominate an ambassador to ASEAN.

On the economic front, Southeast Asia will wait for a critical shoe to drop when the administration releases its Indo-Pacific Economic Framework; most leaders in the region have been disabused of the hope that Washington will enter into new multilateral trade frameworks, but they expect to see signs of a more vibrant trade policy, particularly as it pertains to ASEAN. China’s growing assertiveness in the South China Sea will keep support high for a strong US security presence in the region in Southeast Asia, but regional leaders will have difficulty viewing Washington as a full partner without a stronger economic component. This will be underscored as RCEP comes into force.
The early months of 2022 will bring further fragmentation within ASEAN as Hun Sen’s apparent willingness to accept the junta in Myanmar comes more sharply into focus and the ASEAN Five Point Plan becomes increasingly irrelevant. Indonesia and Malaysia will act as the primary counterweights to a soft approach in Phnom Penh; with Jakarta waiting in the wings to assume the ASEAN chair in 2023, discord on this issue will likely last through the year. However, neither the junta nor the NUG will give ASEAN reason to hope that the conflict will be resolved in the near-term, and ASEAN will be forced to reckon with the impact of having a failed state, not only in the region but within the group. Cambodia will likely continue its obliging approach to China, which will also exacerbate divisions within ASEAN, particularly between Phnom Penh and the claimant states.
CHRONOLOGY OF US-SOUTHEAST ASIA RELATIONS

SEPTEMBER—DECEMBER 2021

Sept. 15, 2021: President Biden, Australian Prime Minister Scott Morrison, and UK Prime Minister Boris Johnson announce establishment of the Australia–United Kingdom–United States (AUKUS) “enhanced trilateral security partnership,” which draws a mixed reaction in Southeast Asia.

Sept. 16, 2021: China announces that it will seek entry into the Comprehensive and Progressive Agreement for the Trans-Pacific Partnership, concurrent with a parallel announcement by Taiwan.

Sept. 24, 2021: President Biden and his counterparts in Australia, India, and Japan hold the first-ever in-person Leaders Summit of the Quadrilateral Security Dialogue in Washington.

Oct. 4, 2021: Southeast Asian leaders express disappointment and concern after US Trade Representative Katherine Tai says that the Biden administration will retain some tariffs on China and that progress on US-China trade talks is slow, due primarily to enforcement problems.

Oct. 14, 2021: ASEAN Special Envoy for Myanmar Erywan Yusof cancels his planned trip to Myanmar after the junta refuses access to Aung San Suu Kyi and other leaders of the National League for Democracy under detention.

Oct. 17–22, 2021: State Department Counsellor Derek Chollet travels to Thailand, Singapore, and Indonesia to follow up on issues discussed during the August visit to the region by Vice President Kamala Harris and, in particular, to consult with regional leaders on the ASEAN Five Point Plan for Myanmar.


Oct. 26, 2021: President Biden co-hosts a virtual US–ASEAN Summit with Bruneian Sultan Haji Hassanal Bolkiah and pledges to strengthen the US–ASEAN Strategic Partnership with $100 million in new funding, primarily for public health and environmental projects.

Oct. 27, 2021: Brunei hosts 2021 East Asia Summit online. The group adopts joint resolutions on economic recovery and public health, particularly related to the threat of the COVID-19 pandemic.

Nov. 3–4, 2021: Bill Richardson, former US ambassador to the United Nations, visits Myanmar on a private humanitarian mission to encourage the regime to allow the distribution of aid and to fight the COVID-19 pandemic. In doing so, he secures the release from prison of Aye Moe, a former employee of the Richardson Center for Human Rights.

Nov. 15, 2021: Richardson returns to Myanmar to meet with Gen. Min Aung Hlaing and to negotiate the release of Danny Fenster, a US journalist who had been detained following the February coup.

Nov. 16, 2021: Philippines Foreign Secretary Teodoro Locsin conveys “outrage and condemnation” to Beijing after Chinese vessels use water cannons to block two Filipino supply ships from heading to Second Thomas Shoal. Locsin warned China that the vessels are covered under the US–Philippine Mutual Defense Treaty.


Nov. 22, 2021: President Xi Jinping and the Sultan of Brunei co-host a virtual ASEAN–China Summit and announce that China and ASEAN will elevate their relationship to a comprehensive strategic partnership.
Dec. 1, 2021: United Nations Credentials Committee defers a decision on representation for Afghanistan and Myanmar, meaning that the Afghan Taliban and the Myanmar junta will not be permitted in the UN unless and until the Committee rules otherwise.

Dec. 3, 2021: China and Laos officially open the China–Lao Rail Link, which runs from Kunming to Vientiane.

Dec. 6, 2021: In a military trial, Aung San Suu Kyi and former Myanmar President Win Myint are found guilty of incitement and breaking COVID regulations. Suu Kyi is sentenced to four years in prison, but the sentence is reduced to two years.

Dec. 7, 2021: Wunna Maung Lwin, Myanmar’s military-appointed foreign minister, visits Cambodia for talks with Prime Minister Hun Sen, a day after the junta drew international condemnation for sentencing NLD leader Aung San Suu Kyi to prison.

Dec. 9–10, 2021: Biden hosts the first-ever Summit for Democracy, to which only four Southeast Asian countries—Indonesia, Malaysia, the Philippines, and Timor L’este—are invited.


Dec. 13–15, 2021: Secretary of State Antony Blinken makes first trip to Southeast Asia in his capacity as secretary, visiting Indonesia and Malaysia. Just prior to his departure Blinken added Thailand to his itinerary but was forced to cancel that leg of the trip when a reporter traveling with the delegation tested positive for COVID.

Dec. 16, 2021: Bipartisan group of US House Members send a letter to President Biden urging him to name an ambassador to ASEAN; there has been no Senate–confirmed ambassador in that post since 2017.

Dec. 24, 2021: Myanmar military attacks village of Mo So in Kayah State, killing 25 civilians. Among the burned bodies were several women and children and two international aid workers.

Dec. 27, 2021: President Biden signs 2022 National Defense Authorization Bill into law, which stipulates that the US will “support and legitimize” the National Unity Government in Myanmar.

Dec. 28, 2021: Indonesia invites officials in charge of maritime security in five other ASEAN states—Brunei, Malaysia, the Philippines, Singapore, and Vietnam—to a meeting in February to foster a coordinated approach in matters related to the South China Sea.