

he history of Southeast Asia over the last three decades has been a dramatic march to modernity—economic development, scientific and technological literacy, and social stability. In countries such as Malaysia and Thailand, per capita incomes have quintupled in little more than a generation. Lives have been transformed. Regional institutions, notably the Association of Southeast Asian Nations (ASEAN), have given Southeast Asia a cohesion and identity without precedent.

Marvin C. Ott is a Professor of National Security Policy in the National War College at the National Defense University.

But it is a success story that carries with it a cautionary lesson. The financial crisis of 1997–1998 originated in the region and hit it hard—particularly Indonesia, where the currency and government collapsed. The economic and societal recovery from that crisis is substantially complete, but the lesson of vulnerability remains in the regional psyche. That sense of contingent success is reinforced by two very different challenges to regional security. The first grows out of the emergence of radical Muslim jihadist networks that seek to overthrow the existing political and social order. The second is a more subtle external challenge posed by the growing power and strategic reach of China.

It has long been an article of faith that Islam in Southeast Asia has a moderate, tolerant, live-and-let-live quality that distinguishes it from more doctrinaire varieties prevalent in the Middle East. Prior to 9/11, most experts would have answered "no" if asked whether international terrorist organizations would find favorable conditions for organizing in Southeast Asia. But the discovery of networks affiliated with al Qaeda in Singapore, Malaysia, and Indonesia (with advanced planning for a series of massive bombings in Singapore) proved that assessment inaccurate. It soon became clear that the region was vulnerable to penetration by violent Muslim militants for a variety of reasons beyond simply the presence of over 200 million Muslims.

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First, the geography of the Muslim areas, with their sprawling archipelagos and unpoliceable borders, created a certain irreducible exposure. Second, the collapse of the Suharto regime in Indonesia weakened police, military, and intelligence agencies—the first line of defense against terrorist penetration. Third, devout Muslims, particularly in Indonesia and the Philippines, saw themselves marginalized by secular (Indonesian) or Christian (Filipino) governments. This produced a sense of victimization that meshed with the message from Osama bin Laden and others. Fourth, money from the Persian Gulf (particularly Saudi Arabia) has flowed into Southeast Asia, propagating a strict, doctrinaire version of Islam through schools and mosques. Finally, the mujahideen war against Soviet occupation in Afghanistan had a galvanic effect. No one knows how many young Muslim men left Southeast Asia to join the mujahideen; it may have been a few thousand or only a few hundred. But those who went received training in weapons and explosives. They were indoctrinated into a militant jihadist worldview and became part of an international clandestine network of alumni from that victorious struggle. With the war over, many returned to Southeast Asia ripe for recruitment into local terrorist organizations dedicated to the destruction of non-Muslim communities, Western influence, and secular governments.

In the period since 9/11, efforts by law enforcement and intelligence organizations have revealed much that was previously unknown about these organizations. They fall into three types: international terrorist groups, such as al Qaeda and Jemaah Islamiyah (JI), whose agenda includes attacks on U.S. interests and the establishment of a pan-Islamic "caliphate"; social extremists, such as Laskar Jihad in Indonesia, that accept the existing national state but attack non-Muslim elements within it; and traditional Muslim separatists, such as the Moro Islamic Liberation Front (MILF) in the southern Philippines and the Pattani National Liberation Front in southern Thailand, that seek a separate Muslim state.

One of the questions affecting the security future of Southeast Asia is whether the predominantly Muslim societies in the region can find a way to neutralize and absorb the militants into a broader, more moderate body politic. The picture is greatly complicated by linkages between groups including JI and al Qaeda, between Abu Sayyaf and al Qaeda,

and between JI and the MILF. Further difficulties arise from alleged links between elements of the Indonesian military and Laskar Jihad and another similar group, the Islamic Defenders Front. In short, the wiring diagram for terrorism in Southeast Asia would depict interactive networks with multiple agendas.

The most important enabling factor in the growth of these networks is governmental weakness in Indonesia. The 32-year rule of Suharto precluded the development of a

new generation of political leadership and deeply corrupted the instruments of state security—police, intelligence, and military. As a consequence, it has proven very difficult to establish an effective government and security apparatus in post-Suharto

Indonesia. The Megawati administration initially reacted to 9/11 and the arrests in Singapore by denying the presence of similar al Qaeda-affiliated groups in Indonesia. The October 2002 bombings in Bali forced Jakarta to acknowledge the reality and at least temporarily silenced overt supporters of the most militant groups. The subsequent police investigation (importantly aided by Australian experts) surprised many by producing a quick string of arrests. Bombings of the Marriott Hotel and Australian embassy in Jakarta and again in Bali in the years since appear to have solidified a view among most Indonesians that JI is a genuine threat—if only because in each case, the vast majority of casualties were Indonesian.

Other governments reacted to 9/11 in different ways. President Gloria Arroyo, backed by a strong majority of public opinion in the Philippines, invited U.S. forces to assist (training, intelligence, and civil affairs) the armed forces of the Philippines in their operations against Abu Sayyaf, a self-declared militant Islamic group with some ties historically to al Qaeda but with a record of largely criminal activity. Prime Minister Mahathir bin Mohamad in Malaysia seized the opportunity to rebuild tattered relations with the United States, culminating in a cordial visit to the White House. Both Singapore and Malaysia cooperated closely through police, intelligence, and customs in counterterrorism with U.S. counterparts. By contrast, Thailand's Prime Minister Thaksin Shinawatra initially tried to stake out a position of neutrality. This

produced a strong critical backlash from Thai elites who saw the prime minister's action as jeopardizing Thailand's longstanding alliance with the United States. Subsequently, the Thaksin government affirmed its full cooperation in America's war on terror. At the same time, Thaksin's autocratic and insensitive initiatives in southern Thailand bear much of the blame for inflaming Muslim opinion in that area.

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China: On the March?

The People's Republic of China is central to any discussion of Southeast Asian politics, economics, and security. China is Asia's aspirant and, to an increasing extent, real great power. By its geographic central-

China: On the March:

ity, population size, and cultural strength and sophistication, Imperial China often exerted a kind of natural primacy through three millennia of East Asian history. After the humiliation of Western colonial penetration and Japanese military occupation, China has sought to reassert its historical prominence. Mao Zedong's first words on leading his victorious armies into Beijing were: "China has stood up." Nevertheless, for most of the following four decades, China was preoccupied with domestic difficulties and disasters (largely self-inflicted) and the daunting demands of economic development. But with the consolidation of the economic reforms of paramount leader Deng Xiaoping in the late 1970s, China finally began its long-delayed and oft-derailed emergence as a modern, powerful state.

China's growth in power coincides with the contemporary disappearance of the strategic threats—from Russia in the north and west and Japan in the east—that have historically constrained the Middle Kingdom. This has left Beijing with the latitude to assert its ambition—an ambition that has a natural strategic focus.

From China's perspective, Southeast Asia is attractive, vulnerable, and nearby. There are many phrases in Chinese that characterize the Nanyang (South Seas) as golden lands of opportunity. For three decades, Southeast Asia has been a region of rapidly growing wealth, much of it generated and owned by ethnic Chinese. Even after wholesale despoliation of tropical forests and other natural endowments, the physical resources

Background: U.S. and Thai soldiers prepare to jump from MC-130H over Lop Buri, Thailand, during Exercise Cobra Gold 2006

of Southeast Asia remain impressive. Also, the world's busiest sea lanes traverse the region. With the exception of Indonesia, individual states that comprise the political map of Southeast Asia are only a fraction of China's size. The southern border of China abuts Southeast Asia along the northern borders of Burma, Laos, and Vietnam.

It is an axiom of realpolitik that policy and strategy must be based on, in the first instance, the capabilities of other actors—particularly rivals and potential adversaries. While any precise measure of China's national capabilities will be elusive, the trend and the potential are quite clear. China's capabilities are multidimensional: economic, military, and, increasingly, diplomatic and political.

Over the last 15 years or so, China's gross domestic product has grown at annual rates of around 9 percent, with a large swath of the coast from Hainan to Shanghai producing rates significantly higher. This in turn

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has supported annual double-digit increases in military expenditures. Growing budgets have to a program of military modernization and professionalization, with a heavy emphasis on modern technology and personnel sufficiently toward China as educated to use it. Expert observers foresee a Chinese military capable of projecting force on a sustained basis beyond China's coastal periphery within 10 to 20 years.

> The days of rigid, ideologically strident Chinese "diplomacy" have long since been superseded by a cosmopolitan sophistication that would do Chou En-lai proud. Finally, for Southeast Asia, Chinese power has an additional potential dimension: the presence of large (and economically potent) ethnic Chinese populations in almost every major urban center.

> Chinese officials have been insistent that China's intentions toward Southeast Asia are entirely benevolent-nothing other than to join with the region in a common endeavor of economic development and regional peace and security. Beijing has energetically pushed trade and investment ties, including a centerpiece China-ASEAN free trade

agreement. Bilateral framework agreements for cooperation on multiple fronts have been negotiated with every Southeast Asian government. Political and diplomatic interactions at all levels have become a regular, even daily, feature of the news. Also, Beijing has made clear its desire to extend cooperation into the security sphere. China has become a primary supplier of economic and military assistance to Burma, Cambodia, and Laos, Meanwhile, Chinese officials and scholars seek to allay unease by noting that the traditional tribute system of China's imperial past was, by Western standards, quite benign.

Can Southeast Asia bank on the nonthreatening character of China's rise? Predictions are always hazardous, but there are several reasons to be cautious.

History strongly suggests that when new great powers arise, the implications for smaller or weaker nations on their periphery are seldom pleasant. Examples include Germany and Central Europe, Japan and East Asia, Russia and Central Asia and the Caucasus, and the United States and Latin America. It remains to be seen whether China is uniquely immune to the temptations of state power.

As Maoism and Marxism have lost their ideological appeal, the Chinese leadership has turned to nationalism to legitimize authoritarian rule. This has included a comprehensive program of state-sponsored patriotism in schools and mass media nurturing a sense of Chinese victimization ("a hundred years of humiliation") at the hands of the West. In recent years, these powerful emotions have been focused on Taiwan and how the United States and Japan have allegedly stolen China's national patrimony. Territorial irredentism is a potent political force, and there are growing fears that Beijing, against all sane counsel, could actually resort to force against Taiwan.

In 1992, the Chinese People's Congress codified in legislation Beijing's claim that the South China Sea is rightfully the sovereign territory of China. Since the flare-up in the Mischief Reef dispute in the mid-1990s, China has soft-pedaled its claims. But it has not disavowed them and continues to strengthen its outposts in the Spratleys.

Chinese scholars, writing with official sanction, characterize U.S. strategic intentions toward China as "encirclement" and "strangulation." They identify Southeast Asia as the weak link in this chain and the point where China can break through and defeat attempted American "containment."

China's ambitious program for harnessing and exploiting the Mekong River will have the side effect, intended or otherwise, of making downstream states such as Laos, Cambodia, and Vietnam hostage to Chinese decisions concerning water flow. The Mekong of is as much the economic lifeblood for these nations as the Nile is for Egypt.

The very agreements and linkages that Beijing cites as evidence of benign intent can also be seen as a web designed to tie these states to China. Contemporary Burma comes close to fitting the profile of a Chinese client state. When Singapore's deputy prime minister visited Taiwan, a semi-official commentator from Beijing promised that Singapore would pay "a huge price" for such temerity.

What emerges from this picture is a multifaceted strategic challenge to Southeast Asia. Chinese diplomats have worked assiduously and successfully to portray that challenge as opportunity and not threat. Recent public opinion polling shows clear evidence of their success. China registers favorably with publics throughout most of Southeast Asia. This coincides with a precipitous drop in favorable opinions of the United States since the advent of Operation Iraqi Freedom.

The durability of these sentiments remains to be seen. What is not in questionor should not be—is that growing Chinese power must be at the center of any security strategy formulated by the Southeast Asian states—and by the United States.

Recent developments in Southeast Asia have created strategic opportunities for China. America's military center of gravity in the region—Clark Air Force Base and Subic Naval Base in the Philippines—has disappeared. ASEAN, so confident and vibrant in the mid-1990s, saw its coherence and international standing decline precipitously by the end of the decade. The same organization that seemed to face China down after the 1995 Mischief Reef confrontation was mute and ineffective when the issue reprised in 1998. The near collapse of Indonesia created, in strategic terms, a void where a cornerstone once had been. In short, the balance of power between China and Southeast Asia had shifted in Beijing's favor. Recently, Chinese officials have been heard on more than one occasion to refer to Southeast Asia (borrowing from Churchill) as "the soft underbelly of Asia."

USS Kitty Hawk strike group in the Philippine Sea during **Exercise Valiant Shield 2006**

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What Does China Want?

What exactly does China seek in Asia generally and Southeast Asia specifically? No one outside the Chinese leadership can answer that question with precision; we do not have the minutes of the Standing Committee of the Politburo meetings on this issue. Moreover, different elements of the Chinese government—notably the Ministry of Foreign Affairs and the People's Liberation Army—have often conveyed rather different impressions to foreign counterparts. To some extent, those differences are no doubt contrived to persuade and obfuscate. But they also may reflect a genuine lack of consensus in the senior leadership. Nevertheless, it is possible to identify a series of strategic objectives in general terms with some confidence.

First, China surely prefers a peaceful and prosperous Asia, one that will be a continuing source of the trade and investment that are so critical to modernization. Moreover, such a benign environment will allow China to avoid the trap that the Soviet Union fell into—that is, allowing military expenditures to rise to the point that they undercut the economic and political viability of the state.

Second, China wants a sharp diminution in U.S. influence in Southeast Asia, especially in terms of its military deployments to the region and its encircling (from Beijing's perspective) chain of bilateral security arrangements with many of China's neighbors.

Third, China seeks a Japan that is passive, defensive, and strategically neutered—one that has effectively withdrawn from the competition for power and influence in Asia. Almost by definition, such a Japan will resist being an instrument of American strategic designs.

Fourth, China is determined that Taiwan will come under the sovereign jurisdiction of Beijing. (That much is clear; what is less clear is exactly how much real authority, how much actual control, will meet China's minimum requirements.)

Fifth, China aspires to a day when the South China Sea will become, in effect, a Chinese lake and will be accepted as such internationally. As previously noted, China's territorial sea law stipulates Chinese sovereignty over the South China Sea—and authorizes the use of force to keep foreign naval and research vessels away.¹

Sixth, China expects that Southeast Asia will be progressively subordinated to Beijing's

strategic interests. Perhaps the closest analogy would be the assertion, in time, of a kind of Chinese Monroe Doctrine for Southeast Asia. Such a strategy would seek to expel any non-Asian (and Japanese) military presence from the region and create a strategic environment in which Southeast Asian governments understood that they were not to make any major decisions affecting Chinese interests or the region without first consulting, and obtaining the approval of, Beijing. It is with this scenario in mind that several ASEAN governments have watched with concern China's growing influence in Burma and to a lesser, but significant, extent in Laos and Cambodia.

Whither America?

The United States is a key, even indispensable, factor in the Southeast Asian security equation but is in danger of falling short of its potential and responsibilities. What is missing is a sophisticated understanding of the growing complexities of the security environment and a conscious, comprehensive strategy to deal with them.

After a long period of post-Vietnam inattention, American security planners have rediscovered Southeast Asia as a second front in the war on terror. This has produced a variety of initiatives to strengthen liaison and cooperation with intelligence, police, and customs counterparts in Indonesia, Singapore, Malaysia, Thailand, and the Philippines. In Indonesia, congressional restrictions on cooperation with the Indonesian armed forces, due to human rights concerns, have diverted much U.S. security assistance to the police.

The election of retired general Susilo Yuhoyono as president of Indonesia provides Washington with the prospect of a new Indonesian government that can be an effective security partner. Washington took the necessary enabling step by ending longstanding restrictions on military cooperation and assistance. The 2006 bilateral security talks between U.S. and Indonesian defense officials held in Washington

USS Tortuga (John I. Beeman

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were notable for their cordiality and an atmosphere of high expectations.

Meanwhile, the most dramatic consequence of the U.S. focus on terrorism has been the return of American troops to the Philippines—to exercise, train, and assist. Most specifically, U.S. Special Forces have supported operations by the Philippines armed forces against Abu Sayyaf.

The tsunami disaster of December 2004 added an interesting new dimension to the security picture. Four countries—the United States, Japan, Australia, and India, with Singapore serving as a logistics hub-mounted major humanitarian and relief operations using their primarily military assets. This effort was ad hoc, spur-of-the-moment, and remarkably well coordinated and effective. Southeast Asia has never had a true multilateral security mechanism. In this case, four countries from outside the immediate region but with security interests within it demonstrated that they could work together effectively. It gave security planners something to think about.

The other principal role is the primary one played by U.S. forces over the last several decades. As the strongest military power in the region, but one with no territorial designs, U.S. forces have served to buttress regional stability—the necessary precondition for economic growth. Forward-deployed U.S. forces have been the proverbial gendarmes keeping the peace by assuring that neighborhood

disputes do not flare out of control and larger

Malaysian paratroopers drive assault vehicle from U.S. Navy LCAC during Cooperative Afloat Readiness and Training 2006 neighbors are not tempted to impose their interests. In the process, they have assured that sealanes through the region remain open to commercial traffic without danger of interdiction. This broad role will remain vital as the region navigates a period of economic and political uncertainty and adjusts to growing Chinese power. Since the loss of access to naval and air bases in the Philippines, the U.S. military has relied on negotiated access to facilities in a number of Southeast Asian countries—most notably in Singapore, where an aircraft carrier pier to accommodate the Navy has been constructed.

China and militant Islam pose quite different and multidimensional challenges. China's geopolitical ambitions in Southeast Asia and its challenge to U.S. security interests are not simply, or even primarily, military. They are instead diplomatic, economic, institutional, and cultural, buttressed by the reality of growing power. Southeast Asian governments such as Singapore and, increasingly, Indonesia are responding with a strategy that seeks to "enmesh" China and the United States, along with other external powers (for example, Japan, Korea, India, Russia, and the European Union) in a multifaceted web of connections to Southeast Asia that serve to underwrite the status quo. Institutional manifestations of this effort include the ASEAN Regional Forum, ASEAN + 3, and Asia-Europe Meeting.

The first East Asia Summit meeting in Kuala Lumpur in December 2005 was instructive. Fearing that the event would be "captured" by China, ASEAN engineered additional

invitations to India, Australia, and New Zealand. Chinese interest in the conclave, which had been high, clearly diminished with the expanded list of invitees. By contrast, India enthusiastically accepted its invitation to join, in effect, the strategic game in Southeast Asia. The architects of this emerging strategy look to the United States not only for effective guarantees and counterterrorist support but also for a full panoply of soft power initiatives involving trade, investment, public affairs, education, diplomacy, and institution-building.

Soft power is also key for dealing with transnational challenges. We should not delude ourselves into believing we fully understand the sources of terbuilding rorism. Some of it seems to be rooted in societal dislocation and economic hardship, particularly as both generate large numbers of underemployed and poorly educated young men who are ambitious, energetic, Islamic, and frustrated. Some of it derives from a pervasive sense in Muslim communities that they are not given the respect by local authorities or foreign governments (especially the United States) that is their due. A viable U.S. counterterrorism strategy must move well beyond police, intelligence, and military programs to help countries such as Indonesia tackle the socioeconomic vulnerabilities that provide openings for the jihadists.

To be fully effective, all this needs to be knit together into a comprehensive Ameri-

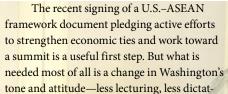
can security strategy for Southeast Asia—something that does not presently exist.

ASEAN
architects
look to
the United
States for
soft power
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involving
trade,
investment,
public affairs,
education,
diplomacy,
and
institution-

What Should Be Done?

The United States has effective policies (for example, counterterrorism) and initiatives (tsunami relief) regarding Southeast Asia, but these do not add up to a security strategy.

The jihadist threat must and will be managed by Southeast Asian governments and societal organizations. Beyond counterterrorism assistance, Washington can assist by doing two things: finding multiple ways to convey respect for Islam and Islamic institutions, including greatly enhanced avenues for contact between Americans and Southeast Asian Muslims, and building more robust political/diplomatic ties with the region that convey a message of sustained American interest and support. The latter could and should include U.S. adherence to ASEAN's founding document, the Treaty of Amity and Cooperation,² and an annual U.S.-ASEAN summit.



ing, more listening, more consulting, and more respect.

The Chairman meets with Indonesian Commander in Chief of the National Defense Forces on military-to-military relations during the annual Asian security meeting



China poses a very different kind of challenge, one that is classically geostrategic. Washington has been slow to recognize the significance of that challenge or to take steps to meet it. The following are some proposed initiatives designed to kickstart a process. In general, American strategists should:

- systematically think through U.S. interests, goals, and the challenges/threats to them
- assess U.S. resources and capabilities (including those that come through leveraging security partnerships in the region) relative to interests and threats
- formulate a strategy designed to maximize U.S. interests consistent with resource constraints
- judge the degree to which the United States is willing to accommodate the growth of Chinese power and influence in the region.

Operating from this general background, specific issues will need to be addressed. U.S. planners must:

clarify U.S. thinking regarding sealanes (Malacca Straits and South China Sea routes) as to their status under international law, U.S. vital interests at stake, and the circumstances in which the United States would act militarily to defend those interests. Provide authorita-

the tsunami relief effort rapidly took shape as a four-part operation involving Japan, Australia, India, and the United States

tive prominent statements of the U.S. position to repair the current ambiguity on the public record.

- propose/initiate a security dialogue with each of the Southeast Asia countries to be conducted at whatever level the counterpart government prefers. Make this a true dialogue in which the United States receives as well as transmits. This will be difficult to start with a number of governments (for example, Malaysia) and may begin as a secret interchange among intelligence professionals. But as this dialogue becomes established, it will provide a vehicle for serious consultations regarding regional security issues and potential areas of collaboration. The payoff would come with a meeting of the minds concerning China.
- provide the sinews for a new multilateral security arrangement in Southeast Asia. The tsunami relief effort rapidly took shape as a four-part operation involving Japan, Australia, India, and the United States. Initial potential missions include maritime

security (counterterrorism, counterpiracy, and environmental protection) and disaster mitigation and prevention. Any initiatives would have to be carefully vetted with the governments of the region. These four countries have demonstrated the capability to provide critical security services to the region. The fact

that China is not included because it currently lacks such capabilities is fortuitous.

- conduct an extended research and analysis effort aimed at understanding the full nature and extent of China's strategic reach into Southeast Asia. Done properly, this will be a multiyear, perhaps multidecade, effort requiring the development of extensive assets that do not presently exist. For example, China has apparently put in place an extensive program of schools in a number of Southeast Asian countries (Cambodia is one) that has gone almost entirely unnoticed by Western intelligence agencies.
- help think tanks in the region to develop analytical and personnel capabilities. At present, the only Southeast Asian country with a critical mass of world-class security strategists is Singapore. Incipient capabilities exist in Hanoi and Jakarta, and to a degree in Kuala Lumpur and Bangkok. Beijing has taken effective advantage of the lack of strategic sophistication in Southeast Asian capitals. It is in America's interest to remedy this situation.
- reassess policy toward Burma and consider the consequences for U.S. security interests of continued sanctions that effectively drive the Burmese junta into the arms of China
- assess the strategic implications of China's drive to harness and develop the Mekong. Private contractors working with the World Bank might be helpful in understanding the full import of what China is doing and possible U.S. counterinitiatives.

For most of the three decades since the end of the Vietnam War, U.S. security policy has treated Southeast Asia as if it hardly existed. Such benign neglect might be tolerable if the United States did not face formidable strategic challenges to its interests in the region. But it does, and America can ill afford to sleepwalk through the next decade in Southeast Asia. Too much is at stake. **JFQ**

NOTES

¹Robert G. Sutter, "East Asia: Disputed Islands and Offshore Claims," Congressional Research Service Report, July 28, 1992, 6.

²Treaties of this type are typically misunderstood by Americans as primarily legal documents. They are not; instead, they are diplomatic and political expressions of solidarity and mutual support. There is no serious reason for the United States not to ratify the Treaty of Amity and Cooperation.

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