



U.S. Engagement in Southeast Asia

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Thank you to CSIS, and specifically to John Hamre, Steve Flanagan, and Derek Mitchell for organizing this event and giving me an opportunity to speak on U.S. engagement in Southeast Asia.

It is a pleasure to return to CSIS to see so many friends and colleagues here with an interest in Southeast Asia. I have just returned from a ten-day trip with Deputy Secretary Negroponte in Southeast Asia. In Vietnam, Cambodia, Thailand and in Laos, I was again struck by the rapid development of U.S. bilateral and regional ties. So, for me, this is a perfect time to talk about our relations and engagement with the region.

East Asia, including Southeast Asia, is undergoing a remarkable transformation. Led by rapidly growing economies, the regional institutional architecture is growing. Long-standing organizations, such as ASEAN, are taking on expanded roles. Newer organizations, including the ASEAN +3 and the East Asia Summit (EAS), are being built on overlapping parts of this regional landscape, and have emerged in response to a growing desire in the region for an East Asian community.

At the same time, there is very broad recognition of the historical and continuing contributions the U.S. makes to East Asian stability, prosperity and cooperative problem-solving.

Singapore Minister of Foreign Affairs George Yeo, speaking for ASEAN to the press at the time of the ASEAN-related Summits last November, described the U.S. role in the wider Asian region this way:

"In short, no major strategic issue in Asia can be resolved without the active participation of the U.S. The U.S. has also played a key role in responding to transboundary challenges. For all major challenges - be it climate change, environmental protection, pandemics, terrorism, disaster response or energy security - we in ASEAN welcome close cooperation with the U.S. We will always remember the help which the U.S. gave Indonesia after the Boxing Day tsunami and its willingness to help Myanmar after Cyclone Nargis."

Last July, I attended Secretary's Rice's meeting with ASEAN Foreign Ministers. In their report of the meeting, ASEAN Foreign Ministers said:

"Looking ahead, the ASEAN-US relationship will remain a key pillar in the evolving political and security architecture of the region. The U.S. has abiding strategic interests in the ASEAN region which connects the Pacific Ocean to the Indian Ocean and the Persian Gulf. The importance of the Straits of Malacca and Singapore, through which 15 million barrels of oil are transported every day, cannot be overstated."

So, ASEAN is clearly interested in a continued U.S. commitment to the region. Its members want strong trade and commercial ties, more technology, more educational opportunities, more dialogue. Recently, they have focused on how we can cooperate on energy security, food security, the environment, and of course economic development. Sure our numbers in the polls sometimes slip, and some in the region are occasionally critical of our policies and approaches. But overwhelmingly, they want increased and skillful engagement, rather than to grow apart from the U.S.

Of course, we want closer ties too. The ASEAN region is also of crucial importance to the United States. On the economic side this interest is clear. By 2015, ASEAN plans to be a single market of 550 million people. Collectively it is our fifth largest export market with rapidly growing economies. ASEAN economic integration is strongly supported by the American private sector, which has already invested \$100 billion there.

The ASEAN region is also of growing political importance. It includes two treaty allies, other valuable security partners, the world's third largest democracy and the world's most populous Muslim majority nation. It sits astride the strategically important Malacca straits. It is the next door neighbor of the rapidly growing powers and economies of China and India. Within Southeast Asia, ASEAN has long played an important - and underappreciated - role in maintaining peace and security. More recently, ASEAN diplomacy was key to convincing Burmese authorities to open the door to critically-needed international assistance following Cyclone Nargis. Beyond Southeast Asia, ASEAN is playing a growing global role. Two ASEAN members currently sit on the UN Security Council, a number of ASEAN countries are contributing troops to peacekeeping operations around the world, and ASEAN members are an important voice on everything from WTO negotiations to non-proliferation efforts.

We can describe two overriding U.S. interests in the region:

First, that the nations of Southeast Asia remain strong and independent, that they enjoy peace, stability, growing prosperity and greater freedom, and that they succeed in their efforts to integrate. If the countries of Southeast Asia are doing well - making progress along these lines - then we are in great shape. So much of our work - and certainly most of our assistance - is focused on helping these countries - and ASEAN as a whole - achieve success, broadly defined.

Second, that the ASEAN region works with us to address bilateral, regional and global issues, ranging from promoting commerce to addressing climate change to combating the proliferation of weapons of mass destruction. We want the ASEAN region to be a good partner. That, of course, requires that we be good partners to ASEAN and its member nations, so that they see it in their interest to work with us.

To meet our mutual interests, we are doing more. We are heavily engaged on many levels both bilaterally and, increasingly, regionally.

When discussing U.S. cooperation and our role in Southeast Asia, I am often asked about how China affects U.S. interests there. China has been much more active politically and diplomatically in recent years. That's a natural result related to China's very rapid economic growth. But the United States does not see this as a zero-sum game. Rather, China is going to have its relations with Southeast Asia, and we will have ours. We want to work with China where we can as a means to advance all of our interests. This is consistent with ASEAN's goals that include good relations with China, the U.S. and other countries that are increasing their engagement in the Southeast Asia region. So rather than worry about what China is doing, we need to stay focused on making sure that we are fully and effectively engaged.

One pillar of our engagement remains our treaty alliances with long-time friends the Philippines and Thailand. The Philippines has improved its economic performance and made substantial progress fighting terrorists who threaten it. The U.S. has supported this counter-terror work, but first and foremost this is a Philippine effort. President Arroyo was just here in Washington this summer - a good visit that reaffirmed our relationship. The Philippines faces big challenges in bringing peace and stability to Mindanao. Recent developments have highlighted both the difficulty and importance of achieving a lasting peace in Mindanao. We are not serving as

intermediaries or getting into details – that's for the Philippines to do – but we are doing what we can to encourage both sides to reach an agreement that can make a big difference for the future of the country.

Thailand is a very good ally and partner, most recently in helping to stage Cyclone Nargis relief flights. And, the President had a good visit to Thailand in August. Thailand has returned to democracy, with all of its apparent turbulence. It is a difficult time, but it is something we are confident the Thai people will work through. We support Thailand and the Thai people, and of course the democratic process, but we should not and we are not getting involved in their domestic politics. Similarly, Thailand is facing difficulty with violent conflicts in the South. Again, we very much want to see this resolved, peace restored, and the country move ahead, but this is a domestic Thai issue.

We are continuing long and good bilateral relationships with other key partners: Singapore, Malaysia and Brunei. Recently Malaysian politics have been very "dynamic." We're following developments with interest, but of course are neutral and are confident our relations with Malaysia will remain strong however the politics play out.

Building stronger ties with Indonesia, an important nation that has undergone one of the most broadly-based transformations in the world. We have worked to support this transformation, through assistance and support for education, and will continue to do so. Indonesia is an increasingly influential player on the regional and global scene – we respect its views.

We are also moving ahead smartly with Vietnam, Laos, and Cambodia. We have seen dramatic progress in Vietnam since 1990. Prime Minister Dung was just here in Washington – the fourth high-level visit in the past four years between U.S. and Vietnam. All three countries have their problems – human rights, rule of law, and more recently sharper economic challenges, but all are moving in a positive direction. We want to encourage and support this progress, while building closer ties.

Much of our work in all these relationships is what one might call "traditional" – traditional diplomacy, dialogues to go over bilateral and regional issues, building cooperation between militaries and security forces, strengthening cultural ties, reducing barriers to trade, tackling economic issues, battling threats to security.

In the security area:

- We resumed military to military ties with Indonesia – which we are building steadily;
- We also are developing military to military ties with Vietnam, Laos, and Cambodia, with ship visits, and beginning some training. We will establish defense attaché offices between U.S. and Laos this year, and will hold our first political-security dialogue with Vietnam next month;
- The U.S. military is working exceptionally well to support the Armed Forces of the Philippines' activities against Abu Sayyaf and JI. Significant progress has been made in this struggle.
- We are also working closely with the region's police forces. Our biggest success is Indonesia, where our assistance has supported reforms and tremendous success against terrorists.
- We continue to support regional efforts to safeguard the Malacca Straits, and to improve maritime security across the board.

The United States also is engaged in multilateral security initiatives in the region. The ASEAN Regional Forum (ARF) is reaching a turning point in its fifteen-year existence. Recently, we have been working with ASEAN and others to reinforce the ARF as a more credible and action-oriented security institution. The United States believes it is time to move beyond confidence-building measures – although these remain important – toward preventative diplomacy activities.

We see ARF as an important mechanism for working together with a wide variety of Asian countries, especially on the transnational security issues that increasingly threaten this region. A May 2009 disaster relief exercise with ARF countries, hosted by the Philippines with the United States, is both an important activity and a showcase for ARF's developing relevance to regional security. Under the continued leadership of ASEAN, we hope ARF ministers in Bangkok next summer will issue a bold and clear vision statement renewing the mandate for ARF. This could only be positive for ARF, for ASEAN, for the United States, and for other regional powers.

I note that ASEAN has proposed developing an ASEAN Defense Ministers Meeting "Plus" mechanism. This may have potential but, frankly, we have not heard enough specifics at this point to make a judgment on its utility. We will be interested in learning more from our ASEAN colleagues as this concept matures, especially about how this will complement and not duplicate ARF and other regional security dialogues.

The United States also is active in strengthening economic ties. USTR is engaged in Free Trade Agreement talks with Malaysia and has established Trade and Investment Framework Agreements, TIFAs, with most ASEAN nations. Under the TIFAs we are pursuing economic agendas tailored to each relationship. We have agreed to launch bilateral investment talks with Vietnam. The office of the U.S. Trade Representative also recently has joined negotiations on investment and financial services with the P-4 – Chile, New Zealand, Brunei and Singapore, countries that had previously negotiated their own FTA, without completing investment and financial services chapters. USTR is doing an exploratory study on possibly joining the whole agreement.

Increasingly, the United States is active in the region on less "traditional" issues, as we try to help countries in Southeast Asia address challenges. Here we have a good story to tell, but perhaps we have not done a very good job of telling it. I am guessing that even an audience as sophisticated as this one will be surprised at the figures on assistance that the United States is providing to Southeast Asia, multilaterally to ASEAN, bilaterally to ASEAN member states, as well as through regional health, environment and other initiatives. Altogether, in Fiscal Year 2008 the U.S. has an assistance budget for Southeast Asia of more than one-half billion dollars – over \$554,400,000, to be precise. To illustrate the programs and projects we are supporting:

- Health is a good example. The region has been endangered by avian influenza and faces big challenges in addressing HIV/AIDS, malaria and other infectious diseases. We are extraordinarily active. In 2008, the U.S. government will spend more than \$212 million to support health-related activities in Southeast Asia;
- Education – this is biggest element of our aid to Indonesia – and very successful. President Bush launched a six year \$146 million program to improve education at the secondary level. We have just signed an agreement with Vietnam to initiate a high-level education dialogue to help Vietnam improve its tertiary education system;
- The environment is a huge interest and we are doing a lot. Much of our cooperation is bilateral, but we are doing more regionally. The ASEAN Wildlife Enforcement Network – ASEAN-WEN – has been lauded both in and outside the region for its success. We have provided several million dollars in support of the Coral Triangle Initiative. The Heart of Borneo Initiative supports tri-nation efforts against illegal logging;
- We recently reached agreement with Vietnam to study the potential impact of global warming on the Mekong Delta, and ways to mitigate that impact.
- Last week, Deputy Secretary of State John Negroponte announced our intention to work with Congress to provide \$1.8 million to support Cambodia's Khmer Rouge Tribunal. Our support to the Tribunal will help to strengthen rule of law in Cambodia, and to bring a measure of accountability to the leaders of one of the 20th century's most brutal regimes.
- Disaster relief. Unfortunately this is a region that suffers a lot of disasters. I can say with pride that we are always there to help, and we're usually there first with the most. As the ASEAN Foreign Ministers cited, we have helped hugely in tsunami and Cyclone Nargis where we provided nearly 200 C-130 relief flights and over \$40 million of assistance to date. We are also working to help prevent and respond to future disasters by providing tsunami warning buoys, training and supporting ARF exercises.

We also have a good story to tell about our growing regional engagement via ASEAN.

- ASEAN recently has taken important steps – the drafting of a Charter, and setting ambitious goals – an ASEAN Community 2015 with political/security, economic and socio/cultural pillars. The Charter includes a notable commitment to establish a human rights body.
- We support these ambitious goals. A strong ASEAN moving toward regional integration and tackling tough problems is in our interest.
- The President and ASEAN Leaders established the U.S.-ASEAN Enhanced Partnership in 2005, and the Secretary and ASEAN Foreign Ministers signed the Plan of Action in 2006 to implement it. Our ADVANCE program for assistance under the Enhanced Partnership provides the ASEAN secretariat with about \$7 million per year in support of activities under the three pillars.
- Much of our initial work under the Enhanced Partnership has focused on supporting ASEAN's economic integration efforts, in large part because ASEAN itself is

moving fastest in building its economic pillar.

- We are working to support ASEAN's own goals, and as a friend also to encourage ASEAN to continue to set – and to meet – ambitious goals. So we also are advancing other elements of the partnership. We have been active on the environment, and are rapidly increasing our regional cooperation on climate change, clean energy, pandemic preparedness and avian influenza. We also are beginning cooperative efforts to improve food security in the region. Another program that has been well received in the region is the recently launched ASEAN Fulbright program.
- Finally, in a matter that obviously is a personal interest of mine, the decision to establish an Ambassador for ASEAN Affairs reflects our ongoing political commitment to work with ASEAN – a commitment that is well recognized in the region and beyond. Several other ASEAN partners have followed the U.S. lead in nominating Ambassadors for ASEAN.

Apart from our cooperation on development issues, we are working increasingly with ASEAN diplomatically, particularly with the new Secretary-General, Surin Pitsuwan. We are working together, for example, on Burma, which I will talk about more in a moment.

One constant, whether talking old issues or new, bilateral or regional, has been our work in Asia to support freedom and human rights. Issues of liberty and democracy are part of our engagement in the region. Sometimes other countries are not thrilled by this, but most understand it is part of who we are. This is not the U.S. government imposing its values. I've lived in Southeast Asia, and people there – like everywhere – want freedom and a chance to participate in the political process. I have seen it first-hand in the Philippines. I have seen it in Burma. I sense a growing demand for human rights and democracy in the region, and countries responding to it. The U.S. tries to play a supporting role. One opportunity will be with the Human Rights Body that will be established under the new ASEAN Charter.

Burma is a huge challenge for U.S. foreign policy, for ASEAN, and for the wider region. A government that has suppressed democracy, driven down its economy, education system, health care system, and become a pariah, refuses even to engage reasonably with ASEAN. One year ago tomorrow, the authorities there cracked down on peaceful demonstrators, including monks. It is in our interest for Burma to turn around, both because we care about human rights and democracy, and because it is in our interest for this large, strategically located country of 55 million people, not to continue to go downhill, where the risks of instability, violence, and other problems grow.

- The Burmese regime's response to Cyclone Nargis showed both its callousness and its ineffectiveness. Some hope that the limited opening that we're now seeing will continue and perhaps could lead to something positive, and we will do all we can to encourage that. However, it is hard to see how Burma can turn around without some change in the political process so that more Burmese, including the opposition and ethnic groups, can participate. This will continue to be a high priority for us.
- We will continue to work with countries in the region, including ASEAN, China, and others, and through the UN, to encourage the regime to reach out to its own people.

The last challenge I want to mention is public diplomacy. As I hope I've made clear here, we have a good story to tell. ASEAN Foreign Ministers have clearly heard that story. But we can and should do better. As U.S. Ambassador to ASEAN, I consider this among my most important tasks.

The U.S. has long been committed to Asia, and to Southeast Asia. The form of our engagement sometimes changes as new issues arise, but the strength of it does not. We are very committed to region – and we see great opportunities. We plan to be a good partner for the countries of Southeast Asia for a long time to come.

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