

COMMENTARY

A U.S. Strategy for ASEAN

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Although the United States is unquestionably a Pacific power, it lacks a comprehensive Asia strategy. In fact, the U.S. approach to Asia has focused primarily on Northeast Asia—Japan, China, South and North Korea. Appropriately, significant focus has also been given to India in the last five years.

However, since the end of the Vietnam War, the U.S. focus on Southeast Asia has been episodic and crisis driven. Though the United States has a substantial reservoir of strength in the region, U.S. policy has failed to connect the dots and develop them into a rational and well-articulated strategy. The missing piece of a well-advised Asia strategy has been a durable, serious, and balanced strategy for Southeast Asia.

Now is the right time to focus on the development of such a national strategy. The lack of consistent U.S. focus in the region has enabled the ascendance of Chinese power, the slow undermining of U.S. business interests, and will eventually degrade U.S. security capabilities. In that context, a refocusing of U.S. engagement in the region is due.

The Obama administration has indicated a strong interest in addressing this gap. President Obama has declared himself the “first Pacific president of the United States” and has inaugurated a U.S.-ASEAN Summit that includes all 10 leaders of the Association of Southeast Asian Nations (ASEAN). Yet, while form is moving in the right direction, a substantive framework is required to support enduring engagement in Southeast Asia based on a clear-eyed understanding of U.S. interests in this vital region.

The approach to this effort should be based on an objective assessment of current and future U.S. interests in Southeast Asia and engage stakeholders in government and business, with expertise in business and economics, defense and security policy, human rights, cultural issues, and others.

The United States Is Building on a Reservoir of Strength in ASEAN

The United States has significant interests and strength in ASEAN. An informed U.S. policy will recognize and leverage these strengths and build upon them. ASEAN is currently home to far more U.S. investment than China or India, and the region is also a bigger market for U.S. goods and services than either of its larger neighbors. U.S. security assets in the region have been developed over decades and need to be revitalized. The United States also has significant social and cultural ties with the region that range from education to the arts to people-to-people ties.

ASEAN is composed of 10 countries, home to over 600 million people, with a collective gross domestic product (GDP) of approximately \$1.3 trillion. Together, the ASEAN countries are committed to global engagement. They are the most trade-dependent formal grouping of nations in the world, with trade accounting for just less than 100 percent of their aggregate GDP. Indonesia, which anchors ASEAN as its largest member, is the fourth-largest country in the world and home to the world’s largest, moderate Islamic population.

On the trade and investment front, ASEAN is home to more than \$153 billion in U.S. investment—more than 3 times our \$45 billion in China and nearly 10 times our \$16 billion in India. That figure does not even count investment in the oil and gas sector, which could nearly double the total. The United States is ASEAN's largest market, and ASEAN is the fourth-largest U.S. market after NAFTA, the European Union, and Japan.

Although President Obama alluded to the importance of trade in Asia in his State of the Union speech and during his Asia trip last November, the fact is that a coherent trade strategy is still not in place. Focusing on this important issue in the context of a broader U.S. strategy for the region is timely and will be a catalyst for progress.

In terms of security and strategic interests, ASEAN includes two of the five U.S. allies in Asia—the Philippines and Thailand. Singapore works very closely with the United States, providing key access for military assets. Other countries, such as Indonesia and Vietnam, have important common interests with the United States and are likely to become more engaged as security and strategic partners in the coming years. In addition, some of the world's most important shipping lanes are in Southeast Asia—the Strait of Malacca and the South China Sea. The region is also the source of significant natural resources, including oil and gas, as well some of the richest sources of biodiversity on the planet.

Culturally, despite the fact that over the last decade some U.S. policies have been unpopular, notably our Middle East policy and the wars in Iraq and Afghanistan, the United States is still considered a model for governance, civil rights, and political and economic freedom. English is still the predominant language used in business and education, and a large number of ASEAN students study in the United States.

ASEAN Is the Keystone of a Durable U.S. Strategy for Asia

None of these U.S. strengths in ASEAN can be sustained if U.S. policy does not recognize and build on them. With the rising influence of China and India, there is increasing competition for markets, minds, and militaries in the region. This is a competition the United States should welcome given its significant leadership position.

In this sense, a comprehensive U.S. strategy for Asia generally is incomplete without a strong, well-defined core strategy for ASEAN. ASEAN is the place where the most important countries of the Asia Pacific meet and compete, and the United States cannot afford to cede or underestimate its foundational interests in this vital region.

In this sense, an ASEAN strategy should account for the rise of China and India, as well as key interests with U.S. alliances in Japan, Korea, and Australia. The traditional postcolonial mindset of separating East Asia from South Asia no longer applies. India has traditional cultural, trade, and economic interests in Southeast Asia comparable to China's. While India has been more internally focused than China in the last two decades, its policymakers, business executives, educators, and movie producers have rediscovered ASEAN. The United States will benefit from including India in the regional architecture in Asia if for no other reason than as ballast helping to balance a fast-growing and focused China.

In the area of trade and investment, ASEAN is at the center of the global free trade movement. For ASEAN, this is a matter of survival since its member countries are collectively the most trade dependent in the world. Indeed, countries like Singapore, whose trade is over three times its GDP, would starve without trade and would languish if trade does not continue to expand.

On January 1, 2010, the ASEAN-China Free Trade Agreement took effect. ASEAN has signed a free trade agreement (FTA) with Australia and New Zealand, as well as an FTA with India. Versions of FTA's are also in place with Japan and Korea. ASEAN members Singapore, Brunei, and Vietnam comprise three of the founding eight members of the Trans-Pacific Partnership (TPP), and ASEAN members constitute one-third of the Asia-Pacific Economic Cooperation (APEC) forum's members. The United States currently has a trade and

investment framework agreement (TIFA) with ASEAN, though talks are relatively inactive. A good U.S. plan for ASEAN would be based on an assessment of whether the economic and strategic value of a U.S.-ASEAN FTA would be worth working through the impediments blocking negotiations at this time.

On the foreign policy and security front, ASEAN will be at the center of any regional architecture. ASEAN is the common member in various competing proposals emanating from Beijing, Canberra, Tokyo, and other capitals. In her speech on Asian regional architecture in Hawaii earlier this year, Secretary of State Hillary Clinton noted the “centrality of ASEAN” in her discussion of core principles guiding regionalism. Indeed, ASEAN has existing structures that should be considered in any serious conceptualization of regional architecture. ASEAN is the host of the ASEAN Regional Forum and Post-Ministerial Conference. It hosts an annual ASEAN Summit, the ASEAN + 3 Summit, and the ASEAN + 1 Summit with eight dialogue partner countries, including, as of 2009 the United States.

ASEAN is also a key partner on transnational global issues such as the fight against terrorism. Although ASEAN’s Islamic population is overwhelmingly moderate, extremist groups have exploited weak borders and out-of-date police and national security structures to radicalize small groups and have struck several targets including in Indonesia, the Philippines, and Thailand. In addition, ASEAN countries are key stakeholders in transnational issues such as nuclear proliferation, climate change, energy policy and development of sustainable renewable energy, management of disease, humanitarian assistance, and disaster relief.

Conclusion

For all these reasons and more, the United States must conclusively end the policy drift that has taken place since the close of the Vietnam War in Southeast Asia. U.S. interests in ASEAN are significant. A well-balanced and clearly defined strategy for ASEAN is the foundation for a realistic and enduring Asia policy. Without such an approach, national security and the future wealth and prosperity of the United States will be exposed to serious risk and an eventual downgrading of our status as a Pacific power.

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