



*New Power Dynamics in Southeast Asia:  
Next Generation Thinking about  
U.S. Strategy toward East Asia*



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## Pacific Forum CSIS

Based in Honolulu, the Pacific Forum CSIS ([www.pacforum.org](http://www.pacforum.org)) operates as the autonomous Asia-Pacific arm of the Center for Strategic and International Studies in Washington, DC. The Forum's programs encompass current and emerging political, security, economic, business, and oceans policy issues through analysis and dialogue undertaken with the region's leaders in the academic, government, and corporate arenas. Founded in 1975, it collaborates with a broad network of research institutes from around the Pacific Rim, drawing on Asian perspectives and disseminating project findings and recommendations to opinion leaders, governments, and members of the public throughout the region.

## The Young Leaders Program

The Young Leaders Program invites young professionals and graduate students to join Pacific Forum policy dialogues and conferences. The program fosters education in the practical aspects of policy-making, generates an exchange of views between young and seasoned professionals, promotes interaction among younger professionals, and enriches dialogues with generational perspectives for all attendees. Fellows must have a strong background in the area covered by the conference they are attending and an endorsement from respected experts in their field. Supplemental programs in conference host cities and mentoring sessions with senior officials and specialists add to the Young Leader experience. The Young Leaders Program is currently supported by Chevron, the Henry Luce Foundation, and the Yuchengco Group, with a growing number of universities, institutes, and organizations also helping to sponsor individual participants. For more details, see the Pacific Forum CSIS website, [www.pacforum.org](http://www.pacforum.org), or contact Brad Glosserman, director of the Young Leaders Program, at [bradgpf@hawaii.rr.com](mailto:bradgpf@hawaii.rr.com).

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## Acknowledgements

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Mr. Brad Glosserman thanks Ms. Ana Villavicencio for her assistance in running the Young Leaders program.

The views expressed here represent personal impressions and reflections of Young Leader program participants; they do not necessarily represent the views of the relevant governments, or the co-sponsoring or parent organizations and institutes.

# Introduction

By Brad Glosserman

U.S. relations with Southeast Asia remain one of the most under-developed dimensions of American engagement with Asia. A rising chorus of voices argues that Washington has missed a series of opportunities to build better relations with a sub-region of growing weight in the global economy. That failure takes on greater significance given Chinese efforts to build stronger ties to a region that has traditionally looked at Beijing with considerable skepticism and even suspicion.

Over the last year, the Stanley Foundation has convened a series of meetings to explore changing power dynamics in Southeast Asia. The last in that set was held in Honolulu in June 2008, hosted by Pacific Forum CSIS, to develop recommendations for the next U.S. administration's policy toward Southeast Asia. A group of 10 Pacific Forum CSIS Young Leaders joined those discussions, and provided their own assessment of ways for the U.S. to improve relations with Southeast Asia. Those recommendations are spelled out in the pages that follow.

The Young Leader program is designed to provide a next generation perspective on key issues in U.S. foreign policy and relations with Asia. As the 2008 election approaches, with its promise of a change in administration, the views of the next generation of foreign and security policy specialists take on additional significance. All too often, the forward-looking documents designed to guide the next government are bound by generational limits: senior analysts see the world through a different prism than does their successors. While there is a need for real knowledge and understanding of the forces at work in relationships and their internal dynamics, Asian societies are changing. This generation of decision makers and the next one see the world and their countries in new and different ways. The failure to account for this shifting perspective could undermine the success of U.S. policy.

Our Young Leaders are encouraged to think "out of the box." While we want them to understand the history and institutions that guide regional relationships and power dynamics, it is also important that they remain attuned to the changes that are occurring and the gap between the world as they see it and that taught in their classes or the assumptions that guide decision making in their jobs. The paper that follows explores that gap and offers realistic suggestions on how the U.S. can solidify relations with a region of increasing importance.



## Recommendations for U.S. Southeast Asia Policy from the “Next Generation”<sup>1</sup>

The Stanley Foundation, in partnership with Pacific Forum CSIS, convened a policy workshop with 20 experts from the United States and Asia June 17-20, 2008 in Honolulu, Hawaii to develop recommendations for the next U.S. administration’s approach to Southeast Asia. On the sidelines of the event were 10 members of the next generation of policy experts – one each from Singapore, Indonesia, Malaysia, Vietnam, China, Japan, South Korea, and Taiwan, and two from the United States.

In most areas, these Young Leaders agreed with the policy guidance offered by the conference’s core participants, but a number of differences emerged as well. As such, the group thought it prudent to produce a document of its own, offering its own recommendations for the next U.S. administration.

The opinions of the Southeast Asian Young Leaders feature prominently in this paper: those recommendations had two major thrusts. First, like many of the Southeast Asian core participants, they argued for increased U.S. engagement in Southeast Asia through multilateral fora. This recommendation, articulated below, spans both existing institutions and for new initiatives. Second, in a marked difference from the core participants, the Southeast Asian Young Leaders stressed the importance of sustainable development. While all of the conference participants highlighted the importance of economic development, the Young Leaders ascribed considerably more importance to sustainability. Although the core participants would support this goal, it was notable that this focus was reflexive to the Young Leaders.

The group placed these two general concerns within five general recommendations for U.S. policy in Southeast Asia, with sub-recommendations for each. The five recommendations are:

- The United States should place greater emphasis on economic development, trade, and investment than on security affairs in Southeast Asia in its rhetoric, foreign assistance, and diplomacy;
- The United States should change its approach to security affairs in Southeast Asia, shifting from its current narrow, counterterrorism perspective to a broad understanding that includes humanitarian assistance and disaster relief, transnational crime, environmental issues, and other fields;
- The United States government should invest in strengthening ASEAN;
- The United States should work to increase understanding of Southeast Asia in the United States;

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<sup>1</sup> Although there was often widespread agreement among the authors, this not a consensus document.

- the United States should review its Burma/Myanmar policy.

### **Recommendation #1:**

**The U.S. should place greater emphasis on economic development, trade, and investment than on security affairs in Southeast Asia in its rhetoric, foreign assistance, and diplomacy.**

It is the opinion of Southeast Asians that the United States pays far too much attention to security issues in the region to the neglect of the issue that is the regions top priority: economic growth. President Bush and his top officials have spoken at length at major regional forums about security issues and comparatively little about how to encourage economic growth. Southeast Asian complaints about this prioritization have not fallen on deaf ears, and the United States has begun to change the way it engages the region. However, damage has been done and a perception created, so the United States must work its way out of this hole.

We understand that this recommendation faces several structural challenges. First, although the U.S. government can encourage trade and investment through the Department of Commerce, the Overseas Private Investment Corporation, and other government entities, trade and investment from the United States will be driven by the private sector. Therefore, limits on the government's ability to deliver in these fields are to be expected. Second, the next U.S. administration will be unlikely to move forward with a significant trade liberalization agenda, regardless of who wins the White House. The new president's hands will almost certainly be tied by a trade-weary Congress and anti-free trade public sentiment amid an economic downturn. Finally, the Department of Defense and its Pacific Command have enormous resources for engaging the region; their civilian counterparts are hampered by shortages of people and funds.

Nevertheless, the group recommends the following to enhance U.S. economic engagement in Southeast Asia:

#### Cite an aspiration for a future U.S.-ASEAN Free Trade Agreement

China, Japan, South Korea, and India have concluded FTAs with ASEAN. Australia and New Zealand are close. But the United States hasn't even cited regional FTA as an aspiration. It ought to do so for reasons both of form and of substance. Failing to engage the region in FTA talks fosters the impression that the United States does not care deeply about regional economic engagement. While there are obstacles – an anti-trade sentiment in the United States and the fact that the United States only signs extremely comprehensive FTAs – it would behoove the United States to at least identify an FTA as a goal.

#### Offer Cambodia and Laos the preferential trading privileges granted Africa's least developed countries

Cambodia and Laos are among the poorest countries in the world and have completely fallen off the agenda in Washington. Preferential trading arrangements for the two countries would produce benefits for both Washington and Southeast Asia, with minimal cost to the U.S.



First, they would send a welcome signal to the region that Washington cares about the economic well-being of Southeast Asians, particularly the region's poorest. Second, it would signal Washington's wish to be as relevant and influential in Laos and Cambodia as China, which has become the most important external power for both countries. Lastly, and most importantly, it would raise standards of living in the two countries.

### Investment in high-technology

One of the greatest things that the United States can offer Southeast Asia's lesser-developed countries is investment in, and transfers of, high technology. The United States should encourage U.S. firms to partner with Southeast Asian governments to enhance their technology in fields such as electricity generation, information technology, and low-level military hardware production.

### Shift discussion of labor and investment regulation to a multilateral forum

The United States should lobby for international regulations regarding foreign direct investment by multinational corporations. It should support an international forum to discuss and prepare guidelines to assist host countries in regulating foreign investment. This would increase Southeast Asian countries' bargaining power and help head off a regional race to the bottom to lure investment. This could also lay the groundwork for labor protection regulations for future trade negotiations with the United States.

### Help Southeast Asia make its growth sustainable and "green"

- The U.S. should work with Japan to ensure that Southeast Asia creates green energy projects. Without the assistance of the two countries, Southeast Asia will not be able to afford these technologies and be forced to continue creating dirty forms of power generation.
- The United States should work with China to partner on development projects so that the United States can encourage China to make "green" choices that it might otherwise not. This will have benefits for the United States in its quest to "socialize" China's development practices and for Southeast Asia because its development will become more sustainable.
- The United States should assist Southeast Asian nations to establish nuclear regulatory regimes as they pursue nuclear energy options.
- The U.S. should work with Southeast Asian governments on joint environmental protection projects to help them redefine their development paths to avoid falling into old unsustainable models of development.
- The United States can help build the capacity of Southeast Asian countries to practice sustainable development by expanding partnerships and grants for research and development and education and further developing relevant institutional linkages.

## **Recommendation #2:**

**The United States should change its approach to security affairs in Southeast Asia to shift from its narrow, counterterrorism perspective to a broad understanding that includes humanitarian assistance and disaster relief, transnational crime, environmental issues, and other concerns.**

Following the end of the Vietnam war, the United States largely disengaged from the region, only to return in earnest after Sept. 11, 2001. Naturally, when it reengaged, it focused on counterterrorism and the region was seen as the second front on the war on terror. It was often remarked that the United States would only want to talk about counterterrorism issues at any meeting it attended, instead of the region's concerns.

This is an area that the group felt was ripe for U.S. collaboration with other powers to help Southeast Asia. In this sense, the group further demonstrated its preference for multilateralism; any U.S. driven approach to security would benefit from partnership with other outside powers. In particular, the group felt that the United States should leverage its relationship with Japan to work collaboratively in the region. This partnership could be used for virtually all ends: a formal U.S.-Japan Agency for Development in Southeast Asia should be considered.

### Humanitarian Assistance and Disaster Relief

The United States should continue its emphasis on assisting the region in humanitarian assistance and disaster relief. It should continue to draw lessons from its response to the 2004 tsunami and should not be discouraged by its ill-fated attempt to help in the aftermath of Cyclone Nargis.

In planning for humanitarian assistance and disaster relief, the United States should partner with Japan and China, both of which frequently experience natural disasters. Partnering with the United States would help expand the U.S.-Japan alliance and help Southeast Asia at the same time. Partnership with Beijing would help China become the "responsible stakeholder" that it strives to be. A mechanism should be set up among the three countries to prepare to assist following natural disasters in Southeast Asia.

### Drug and Human Trafficking

The U.S. Drug Enforcement Agency and Law Enforcement should expand their network of representative offices in the region in order to collaborate among governments and to share best practices to better fight drug and human trafficking. Furthermore, closer interaction and more offices will enable more technical assistance as well as intelligence sharing.

### Energy

The United States should transfer as much technology as possible to regional governments to improve energy efficiency. Moreover, it should support the activities of non-

governmental organizations to promote efforts on both energy security and sustainable development, rather than simply focusing on governments as the main actors.

### Maritime Security

The United States should continue to assist maritime nations of Southeast Asia secure sea lanes. The region appreciates that the United States has resisted securing them unilaterally. However, the United States should also engage Japan in this effort, since Tokyo has a great deal to offer and its (respectful) presence is welcomed.

### Counterterrorism

While terrorism is not the threat in Southeast Asia that the United States once feared, it remains an important issue. Much of the success in thwarting the threat since 2002 has resulted from the assistance of Australia and the United States in Indonesia. U.S. and Australian law enforcement officials have helped develop an effective police detachment that has made Indonesia considerably safer. Lessons should be taken from Indonesia and applied in Malaysia and the Philippines.

### **Recommendation #3:**

#### **The United States government should invest in strengthening ASEAN.**

Southeast Asia appreciates that the United States wants ASEAN to succeed and has taken steps over the last year to demonstrate this. Symbolically, it was a strong vote of confidence for the United States to name an ambassador for ASEAN affairs. Substantively, Southeast Asia appreciates funding to strengthen the ASEAN secretariat under the ADVANCE program. However, there is more that the United States can do to help ASEAN become a more effective institution.

### Spreading Capacity from Rich to Poor within ASEAN

The United States should work with wealthier ASEAN countries to extend support for programs to send students from low-income ASEAN countries to high-income ASEAN countries for studying above the college level. Singapore has a program that brings students from Cambodia, Myanmar, Laos, and Vietnam to study at the Lee Kuan Yew School of Public Policy. The United States should help such efforts to build ASEAN's capacity.

### Getting to Know the Region

The United States should support ASEAN initiatives to foster exchange/research fellowships for university students in Southeast Asian countries to work in other regional countries. One of the key impediments to achieving an ASEAN identity is the fact that most Southeast Asians have not seen their own region. Even elites who may have studied abroad are unlikely to have spent significant time in neighboring countries, thus limiting regional

understanding and cohesion. A program that facilitates learning about the region will also empower the next generation of ASEAN elites.

### Prepare East Timor

The United States should work with East Timor, in partnership with Japan, Australia, and others, on issues of governance to prepare it to be a productive, forward-looking member of ASEAN.

### Declaring Support for ASEAN

The United States should publicly acknowledge positive developments in ASEAN, such as the impending ratification of the ASEAN Charter, and not dismiss them as insignificant. Political support for ASEAN's determination to build three communities would be an important symbol of support. The United States should also elevate its ambassador *for* ASEAN affairs to an ambassador *to* ASEAN as soon as the secretariat in Jakarta is ready to host ambassadors.

### **Recommendation #4:**

#### **The United States should increase understanding of Southeast Asia in the U.S.**

##### On Campuses

The United States should continue to support Southeast Asian regional studies, as it did during the Cold War to introduce a new generation to Southeast Asia and to support the current cadre of Southeast Asia specialists. Likewise, the United States should sponsor visiting professorships for American lecturers to teach American studies at universities in Southeast Asian. Most universities in the region do not have classes on U.S. history and culture, which impedes understanding of the United States. The United States should also support American Studies centers at universities, which would be a low-cost, high-output endeavor.

##### Cultural Outreach

The United States should add a cultural outreach component to exchange programs that bring Southeast Asians to the United States to study. They should be encouraged to engage with the community to broaden their impact on U.S. society. Likewise, the State Department should engage Southeast Asia's ambassadors and consul generals in the United States to do outreach in universities and the community.

##### Congress

The U.S. ambassador for ASEAN affairs should meet regularly with members of Congress and staffers. There is a clear disconnect between the Congress and the executive branch on Southeast Asia, and the State Department must do better to bring Congress up to speed on positive developments in the region.

## **Recommendation #5:**

### **The United States must not allow Burma/Myanmar to hinder broader engagement with ASEAN.**

The United States has been unable to engage ASEAN as deeply as possible because of concerns over the political situation in Burma/Myanmar. For instance, the subtext to the continual delay of a U.S.-ASEAN summit has been U.S. unwillingness to sit down with Burma/Myanmar at such a high-level arena.

The Young Leaders could find little to agree about in the case of Burma/Myanmar, except that the current U.S. policy isn't working and hurts U.S.' ability to engage the region.

Southeast Asian members of the group questioned the utility of the U.S. focus on Aung San Suu Kyi, seeing this personalization of politics to be counterproductive. There was also agreement that ASEAN should be the key interlocutor to effect change in Burma/Myanmar. However, it was acknowledged that ASEAN's capacity needs to be strengthened to be better able to address regional situations such as this. It was suggested that the United States try to push influential ASEAN states to take a harder line on Burma/Myanmar. Americans in the group questioned how ASEAN could effect change in Burma/Myanmar, given that it has had so little success mediating other issues among the powers, such as the recent Thai-Cambodian dispute over the Preah Vihear temple.

Regardless, it was agreed that creative means must be used to allow U.S. engagement with ASEAN to press forward even if there is little political progress in Burma/Myanmar.



# APPENDIX A

## About the Authors

**Ms. Lina A. ALEXANDRA** is a researcher at the Department of International Relations for the Centre for Strategic and International Studies (CSIS) in Jakarta.

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**Ms. Shiuan-Ju CHEN** is the 2008-2009 Pacific Forum Vasey Fellow from Taipei, Taiwan. She received a BA in Political Sciences from National Taiwan University in 2005 and an MA in International Affairs from the Elliott School of International Affairs, the George Washington University in 2007. Prior to working at Pacific Forum, Ms. Chen interned with CSIS in Washington D.C. and the Institute for National Policy Research in Taiwan.

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**Mr. TING Ming Hwa** is a Ph.D. Candidate at the University of Adelaide.

**Mr. TA Minh Tuan** is currently Deputy Director, Center for Regional and Foreign Policy Studies at the newly created Institute of Strategic Studies, Diplomatic Academy of Vietnam. He started his career as a desk officer for the Vietnam Peace Committee in early 1995. He earned his first degree from Hanoi University of Foreign Studies. He graduated with an MA (First Class) in Politics and International Relations from School of International Relations, Mahatma Gandhi University in India. He received his PhD in Political Sciences from the Institute of Political Studies, Polish Academy of Sciences, Warsaw, Poland in 2002. He lectures to BA and MA students on U.S. foreign policy and Asia-Pacific security.

**Ms. Shanshan WANG** is a Pacific Forum CSIS 2008 Vasey Fellow. She received both her BA in diplomacy and an MA in international relations from China Foreign Affairs University. She was also a student fellow at the Asia Pacific Leadership Program at the East-West Center in Hawaii from 2006-2007. She worked as liaison officer at Boao Forum for Asia, interned with the People's Bank of China and Boston Consulting Group and traveled extensively in the Asia Pacific region. She is a freelance translator and interpreter and has published four translation works in China.



## APPENDIX B

### New Power Dynamics in Southeast Asia

Sponsored by The Stanley Foundation  
in collaboration with the  
Pacific Forum Center for Strategic and International Studies  
June 17-20, 2008  
Hyatt Regency Waikiki Resort and Spa  
Honolulu, Hawaii

#### Agenda

#### Tuesday, June 17

18.00 h – 18:30 h                      Cocktail Reception  
18.30 h – 21.00 h                      Dinner

#### Wednesday, June 18

08.30 h                                      Continental breakfast

09.00 h – 09.15 h                      **Opening Remarks:**  
Michael Schiffer, Stanley Foundation

09.15 h – 10.30 h                      **Perspectives from the Chair:**  
Catharin Dalpino, Project and Co-Chair  
Ralph Cossa, Pacific Forum, Co-Chair

10.30 h – 10.45 h                      Break

10.45 h – 12.00 h                      **Taking Stock of the US in Southeast Asia:  
Image, Power and Problems**  
**Chair:** Catharin Dalpino

12.00 h – 13.30 h                      Lunch – private

13.30 h – 15.00 h                      **Changing Actors and Interests in Southeast Asia:  
The Impact of China, India, Japan, Australia and Russia**  
**Chair:** Ralph Cossa

15.00 h – 15.15 h                      Break

15.15 h – 17.00 h                      **Domestic Determinants and Political Dynamics in  
US-Southeast Asian Relations**  
**Chair:** Catharin Dalpino

**Wednesday, June 18 (cont'd.)**

18.00 h – 21.00 h Reception and Dinner

**Thursday, June 19**

08.30 h Continental breakfast

09.00 h – 10.30 h **The Changing Security Environment**  
**Chair:** Ralph Cossa

10.30 h – 10.45 h Break

10.45 h – 12.00 h **Economics and Trade Issues**  
**Chair:** Catharin Dalpino

12.00 h – 13.30 h Lunch – private

13.30 h – 15.00 h **Regional Organizations and Multilateral Approaches**  
**Chair:** Ralph Cossa

15.00 h – 19.00 h Free time

19.00 h – 21.00 h **Group Dinner off-site**

**Friday, June 20**

08.30 h Continental breakfast

09.00 h – 10.00 h **Prioritizing Issues for Policymakers**  
**Chair:** Ralph Cossa

10.00 h – 12.00 h **Recommendations for US and Asian Leaders**  
**Chair:** Catharin Dalpino

12.00 h – 13.30 h Lunch – private  
Conference concludes

**Saturday, June 21**

12:00 h Check-Out, Departure of All Participants