

## **ASEAN Centrality and the Evolving US Indo-Pacific Strategy**

### *Key Findings and Recommendations from the U.S.-ASEAN Partnership Forum*

Pacific Forum, in cooperation with The Habibie Center, conducted a track II dialogue on US-ASEAN relations in Jakarta, Indonesia on Feb. 11-13, 2019. Titled the “United States-ASEAN Partnership Forum,” the dialogue brought together some 70 US and Southeast Asian foreign policy specialists, subject-matter experts, and other thought leaders to discuss key issues in the Indo-Pacific related to enhancing US-ASEAN relations. The dialogue included a cohort of young scholars and policy analysts drawn from the US State Department’s Young Southeast Asian Leaders Initiative (YSEALI) and the Pacific Forum’s Young Leaders Program.

Together, they examined ASEAN centrality, the US approach to the region – in particular, the role of the 10-nation association in the Trump administration’s Indo-Pacific Strategy – and the role of the United States in supporting the ASEAN Community vision. Participants debated policy issues on regional security and stability, sustainable economic growth and development, and closer people-to-people ties. The following are the key findings from the dialogue’s nine sessions.

ASEAN matters for America. The important role of ASEAN in the US Indo-Pacific Strategy cannot be overstated. As the convener of the region, ASEAN has an indispensable role as a platform for Washington to clearly articulate its vision for a free and open Indo-Pacific. ASEAN institutions also ensure that US engagements in humanitarian assistance and disaster relief (HADR), security sector capacity-building, and governance reforms are effective and complementary to national and regional initiatives.

ASEAN is a dynamic, diverse and high-growth region that is important to the US economy. The potential for growth in US trade is promising, contingent upon the interest and willingness of the US to explore bilateral and multilateral trade and investment agreements with the region.

America matters for ASEAN. Washington’s expressed support for ASEAN centrality is vital for ensuring that ASEAN continues to play a leading role in shaping the region’s geopolitical and security agenda. US presence, including security sector capacity-building initiatives, means that no one power can dominate Southeast Asia and dictate on regional matters, and that the multifaceted security challenges are addressed.

The United States plays an important role in ASEAN’s economic landscape. Cumulatively, US companies have invested over \$270 billion in ASEAN, greater than those directed to the four largest Asian economies – China, Japan, India, and South Korea – combined. These private sector-led investments support ASEAN growth and provide jobs and opportunities to millions in Southeast Asia.

Specific issue areas identified that are important for enhancing the strategic US-ASEAN partnership include non-traditional security issues, maritime security, US security cooperation with Japan and Australia in ASEAN, promoting rule of law and good governance in Southeast Asia, and enhancing US-ASEAN economic relations.

The United States has a long history helping Southeast Asia address humanitarian crises, including those resulting from natural disasters. With recent improvements in ASEAN’s institutional capacities, for instance, the establishment of the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre) the US has begun incorporating ASEAN mechanisms into its response efforts.

Countering violent-extremism remains a top priority for both the United States and ASEAN. Several US-ASEAN cooperation mechanisms to address CVE issues need continued support, including the Southeast Asia Regional Center for Counter-Terrorism (SEARCTT) in Malaysia, the International Law Enforcement Academy (ILEA), and the Joint Special Operation Task Force Philippines (JSOTFP).

There are four shared cyber security priorities and challenges that are critical for ASEAN and the United States: cybercrime, protection of critical infrastructure, content control, and connectivity. A holistic approach is needed to help ASEAN countries develop connectivity while mitigating the impact of espionage from infrastructure investments in the future, especially those funded by authoritarian states.

Difficulty in dealing with grey-zone tensions in the South China Sea is compounded by ASEAN countries' differing threat perceptions, lack of resources and capacity, and weak interagency coordination. While ASEAN member-states welcome US presence and reassurance, the value of unilateral freedom of navigation operations by the US Navy remain underappreciated in the region since it is viewed by many as primarily focused on freedom of navigation for US Navy ships.

ASEAN littoral states' major maritime concern is access to coastal state entitlements (i.e. rights to access oil, gas and fishery resources in their exclusive economic zones and continental shelves free from coercion), as provided for under international law.

Since priorities do not align in Southeast Asia, it is important for ASEAN and the United States to develop a common conception of, and complementary priorities on, the rule of law in the context of maritime security.

Information is key to helping the United States and concerned ASEAN countries respond appropriately to China's activities in the South China Sea, especially those coercive and unilateral maneuvers that violate international law, run contrary to Beijing's regional commitments, and disrupt the status quo.

US cooperation with Japan and Australia in ASEAN is important. Through division of labor and well-coordinated aid policy, the US and Japan can present a viable alternative to China's high interest loans and infrastructure projects that weaken the sovereignty and policy independence of ASEAN member-states.

The US-Japan Alliance remains an underutilized mechanism in promoting stability in Southeast Asia. Coordinating on building ASEAN's capacity to address maritime security, violent-extremism and cybersecurity, as well as on enhancing multilateral institutions and the rule of law needs to be considered by Washington and Tokyo in the context of the US-Japan Alliance.

Some Southeast Asian states are faced with rising threats of illiberalism and populism. Southeast Asians are also cognizant of the increasing political polarization in the United States. Promoting values related to human rights and good governance should not be seen as antithetical to US interests in Asia as they are not mutually exclusive. Much work remains to better understand the meaning of good governance in the context of the variety of political systems in Southeast Asia.

Southeast Asia's infrastructure investment needs present major challenges, including gaps in funding (public and private) and the wide disparities in economic development. There is no "one size fits all strategy." The United States and the Asian Development Bank can complement each other, with the former focusing on capacity-building and the latter on providing long-term, low-cost funding mechanisms.

With the emphasis on physical infrastructure, the socio-cultural aspect of development has been sidelined. The United States can help promote inclusive development in Southeast Asia by engaging civil society, hearing the needs of marginalized groups, and tailoring some development aid to empower them to be productive members of society.

The Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) are the two most important mechanisms shaping regional trade standards in ASEAN. Since both initiatives exclude the United States, it will have to decide soon on the approach – bilateral, multilateral or both – it intends to economically engage ASEAN and the wider region or risk being left out of the evolving regional economic architecture.

ASEAN member-states could benefit from the changing trade dynamics in the region, but preparing to absorb businesses and supply-chains relocating out of China is required to realize those benefits. To facilitate this process, Washington could help ASEAN develop a conducive environment for these investments. The Better Utilization of Investment Leading to Development (or BUILD Act) is a step in the right direction.

People-to-people exchanges are important in sustaining the US-ASEAN strategic partnership. While US government programs that bring Southeast Asians to the United States for cultural exchanges, technical training, and academic degrees should continue, counterpart initiatives that can bring young Americans to ASEAN should be established.

There is broad agreement that Southeast Asian states should maintain policy autonomy and build their own national resilience to avoid being dominated by US-China strategic competition.

ASEAN’s consensus-based approach to decision-making remains a challenge that often renders the regional organization ineffective. Allowing ASEAN members to abstain would enable ASEAN’s ability to reach crucial decisions without fear of retribution from outside powers.

ASEAN should become a platform for substantive cooperation. This would require allocating resources to increase and strengthen cooperative mechanisms by both the ASEAN member-states and its partners.

As the United States pursues a “whole-of-nation” approach to ASEAN, it is important to re-evaluate the unsustainable model where the US was the exclusive provider of regional security while China (and Japan) was the driver of regional economic growth and development.

The US preference for bilateralism is no longer as effective in dealing with Southeast Asia. New thinking on how to accommodate the United States in the economic sphere and China in the security sphere is needed, while developing more appropriate multilateral approaches that maintain ASEAN centrality and ensure a free and open Indo-Pacific.

*For more information, please contact Carl Baker [carl@pacforum.org], Executive Director, Pacific Forum. These preliminary findings provide a general summary of the discussions. The views expressed are those of the forum chair and do not necessarily reflect the views of all participants. This is not a consensus document. A more detailed and comprehensive conference report will soon be published and made available publicly.*