



**Statement Before the  
House Foreign Affairs  
Subcommittee on Asia and the Pacific**

***“Asia’s Diplomatic and Security Structure:  
Planning U.S. Engagement”***

A Testimony by:

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Thank you for inviting me to testify on this important and timely topic. As the United States and much of the world intensifies their focus on resolving tensions with North Korea over its nuclear program, it is important to maintain a broader and long-term view on key regional dynamics that are shaping Asia's diplomatic and security structure in ways that will impact the United States and the region for years to come.

For countries in the Indo-Pacific and in Southeast Asia in particular, this is a time of strategic flux and uncertainty. Many in the region are wondering if we are nearing an inflection point where Chinese engagement and influence will outstrip America's traditional leadership in the region. The United States' hard and soft power remains formidable in the Indo-Pacific region, but there is a growing sense that U.S. strategy and focus is adrift, at a time when China is demonstrating laser-sharp focus on regional priorities. U.S. security and economic ties to the region remain very strong, and the values of democracy, good governance, and human rights continue to resonate across Southeast Asia, as the incredible democratic election results in Malaysia affirm. But U.S. engagement has been lacking, especially on the economic front, a point to which I will return below.

Southeast Asia is at the crossroads of the Indo-Pacific. At the very heart of Southeast Asia lies the South China Sea, which connects the Indian and Pacific oceans, and thus provides the lynchpin for the commercial, diplomatic, energy and security interdependencies that arise from this maritime nexus. The countries in the region are critically important to the United States in their own right. The ten economies of the Association of Southeast Asian Nations (ASEAN) collectively form what is now the 5<sup>th</sup> largest economy in the world, and the region's 635 million people represent the world's 3<sup>rd</sup> largest market, behind only China and India. ASEAN is the 4<sup>th</sup> largest export market for the United States, behind Canada, Mexico, and China, and is the largest destination for U.S. investment in Asia, hosting more U.S. direct investment than China, Japan, and India combined. Five of the ten ASEAN countries are home to populations larger than 50 million, and more than half the population in the region is under 30 years of age. The region also includes the largest Muslim majority democracy in the world (Indonesia), and two U.S. treaty allies (Thailand and the Philippines), along with increasingly important security partnerships (Singapore, Vietnam, Indonesia and Malaysia).

The economic and strategic significance of Southeast Asia to the United States is compelling on its own terms. But Southeast Asia also represents the chess board on which the great power rivalry between the United States and China is being contested. China's efforts to win over friends in Southeast Asia and pacify ASEAN as a counterbalance to its geostrategic efforts have been formidable. The United States has upped its game in Southeast Asia in recent years as well, leading to some substantial gains on security partnerships and capacity building efforts. And while the region itself welcomes the United States to play a balancing role and clearly does not want a Pax Sinica to emerge, it questions U.S. commitment and staying power.

*Southeast Asia priorities*

For the United States to craft a compelling and enduring strategy for the Indo-Pacific that resonates with our key partners in Southeast Asia, we first have to consider the key concerns and priorities of countries in the region. There are three main priorities:

1. *Manage great power rivalry.* As the strategic environment of Southeast Asia and the broader Indo-Pacific grows increasingly contested, countries are seeking ways to both engage and hedge against closer ties with China, while not being forced to choose between close relations with China and the United States. On the one hand, Southeast Asian countries have real concerns about China on both the strategic and economic front. They benefit from China's economic rise and growing trade and investment linkages with China, but they are concerned about the political strings that often come attached to these linkages. They are also concerned about China's militarization of the South China Sea and its willingness to blatantly disregard international law on issues related to maritime disputes. They are looking for tools and options to manage these downside risks while continuing to benefit from economic linkages. The United States can provide these options and tools through closer security and economic ties, capacity building, and vocal support for good governance, rule of law and democracy. Southeast Asia is increasingly looking to other partners as well, including Japan, Australia, India, and South Korea, to provide options and maneuverability in this increasingly contested space.
2. *Economics remain paramount.* Despite growing security concerns related to maritime disputes in the South China Sea, China's rapid military modernization, and its willingness to resort to coercion to achieve its aims, countries in Southeast Asia remain wedded to an economics-first approach to diplomatic and political relations. This is a region where relatively high economic growth has fed the legitimacy and longevity of many governments, and the rulers and the developmental states they have built remain focused on delivering the economic goods to the populace. As these countries have pursued a strategy of relative economic openness and forging commercial ties that have embedded them in regional production networks, they have become not only more prosperous but more secure, politically and strategically. For most Southeast Asian governing elites, therefore, economics is the foundation of security. Whereas the United States has traditionally led regional efforts to foster this economic openness and integration through rule-making, trade negotiations and consensus-building in APEC, the U.S. withdrawal from the Trans Pacific Partnership and lack of a viable economic engagement strategy has created a strategic void, at a time when China has been ramping up its highly ambitious Belt and Road initiative.
3. *ASEAN centrality.* ASEAN has been the central driver of regional cooperation and stability among its Southeast Asian member nations for over 50 years. ASEAN has a remarkable track record of averting conflict and coercion among its members, and building trust and cooperation through dialogue and adherence to norms of non-interference and peaceful resolution of disputes. ASEAN's origins as a non-aligned block of countries and its normative underpinnings have provided a useful foundation for engaging regional powers and helping to manage great power rivalries and tensions that threaten to divide the region

and disrupt economic growth and regional stability. Since the Cold War, ASEAN has played a central role in the regional security architecture by leading the formation of multilateral frameworks that engage key regional partners, including the ASEAN Regional Forum (ARF), the East Asia Summit (EAS), and the ASEAN Defense Ministers Ministerial Plus (ADMM Plus). Southeast Asian countries put great stock in ASEAN, since they know that ASEAN-led mechanisms are the best way for the collective interests of these countries to be taken into account.

### *Why ASEAN centrality matters for the United States*

It's important to note here why ASEAN centrality also matters for the United States. ASEAN-led frameworks, from the ASEAN Regional Forum to the East Asian Summit to the ADMM-Plus, provide a venue for the United States to work with like-minded partners to help define issues and shape regional goals and expectations. Meeting with ten-member countries and the "plus" countries at one set of meetings, both multilaterally and in bilateral discussions on the margins, creates diplomatic economies of scale – it is much more efficient to engage many countries at once, and seek a common approach to an issue. As Secretary Mattis put it in his Shangri La remarks last year, "a stable region requires us all to work together, and that is why we support greater engagement with ASEAN. Because no single bilateral relationship can get us where we want to go. Only working in concert can take us forward."

But ASEAN's primary value to U.S. strategic interests lies in its ability to shape the normative environment and, at certain times to a limited extent, speak with one voice. It is viewed as a benign player and neutral arbiter that can confer legitimacy on regional developments. Unfortunately, ASEAN's recent difficulties in maintaining unity on key issues has undercut its ability to drive the regional agenda and steer outcomes. Yet ASEAN remains highly relevant, and greatly beneficial to U.S. interests. ASEAN's propeller may be damaged, yet it continues to provide critical ballast that helps counter Chinese assertiveness and maintain stability in an increasingly competitive strategic environment.

ASEAN has developed and promoted norms that have shaped regional expectations of behavior and have become increasingly embedded in the regional architecture over time. On the economic side, ASEAN has embraced and promoted "open regionalism," encouraging governments to maintain relative openness to investment and commerce which has been a key to the region's economic success. In the security realm, ASEAN has promoted norms of non-coercion, mutual respect, and emphasis on dialogue as a means to build trust and resolve disputes. These regional frameworks have been critical to a strategy of promoting a rules-based order that imposes some degree of normative pressure on countries seeking to subvert collective norms, as China has sought to do in seeking to unilaterally change the status quo South China Sea.

### *The Indo-Pacific: A Geostrategic Framing whose time has come*

The regional construct of the Indo-Pacific has been growing in use among strategic thinkers in many countries, notably Australia, Japan, Indonesia, the United States, and India, as it has become more and more apparent that the Indian Ocean Region and the Asia Pacific are bound together by a number of strategic interdependencies that merit a holistic approach to strategy formulation and policy making. This new regional framing is a welcome shift in spatial and functional conception that has several advantages for U.S. strategy.

The first is the inclusion of India as a strategic focus. India is an important maritime democracy that has long been a net security provider in the Indian Ocean Region, but it has increasingly turned its strategic focus to East Asia, moving from a “Look East” to an “Act East” policy of more active engagement in East Asia security affairs. Although India still has a way to go to live up to its potential as a strategic and economic partner for Southeast Asia, it has forged much stronger strategic ties with many countries in the region including the United States, Japan, Australia, and Vietnam. India has also embraced ASEAN centrality and participates in the EAS and ADMM Plus. Prime Minister Modi hosted the ten ASEAN leaders for the first Indian-ASEAN summit earlier this year, and he will give keynote remarks at the Shangri La security dialogue in Singapore early next month. India’s growing voice in regional security dialogues is a welcome development, since it vocally supports principles such as freedom of navigation and deep respect for international law.

The second advantage of the Indo-Pacific framing is that it naturally focuses attention on the maritime domain. The concept points to the confluence of the Indian and Pacific oceans, including through critical waterways like the South China Sea, the importance of the linkages that arise from this maritime connectivity - the flows of commerce and energy that are the lifeblood of the region, and the vital need to secure sea lanes of communication to enable these flows. This shift to a more maritime focus is useful because it sharpens attention on the key issues that are current priorities for the United States and its allies and friends in the region, including concerns over Chinese maritime coercion in the South and East China Seas, managing maritime territorial disputes, and building maritime security capabilities of littoral states so that they can monitor and police their territorial waters.

The third conceptual shift in the Indo-Pacific framing is perhaps less helpful, which is a shift from an economic lens to a much more heavily security focus. Decades ago, an earlier regional conception of the “Pacific Rim” highlighted the economic linkages across the Pacific, and gave rise to regional dialogues on economic cooperation and openness that culminated in the launch of the Asia Pacific Economic Cooperation forum (APEC). The Pacific Rim was replaced with Asia-Pacific, but the focus remained heavily on economic cooperation. APEC has fostered “open regionalism” norms and helped germinate the Trans Pacific Partnership (TPP) negotiations, which held the promise of elevating the economic landscape of the Asia-Pacific into a more open, dynamic, and rules based economic order. The shift to an Indo-Pacific conception leads to an overwhelming focus on security issues, especially maritime security. In part this is due to the fact

that there is no regional architecture to support an Indo-Pacific wide economic dialogue. APEC does not include India, and this is for good reason – India has not yet demonstrated that it is ready to be a constructive partner on trade and investment liberalization in a consensus-based forum like APEC. As I argued above, the shift to a maritime security focus is helpful in that it mirrors the key challenges and priorities of the United States and its allies and partners in the region. The downside, however, is that it opens the door to a less balanced approach to regional strategy that over-emphasizes the security dimension while giving short shrift to economic engagement, which remains a top priority for Southeast Asia.

### *The Trump Administration's "Free and Open Indo-Pacific" strategy*

Six months after President Trump rolled out the “free and open Indo-Pacific” vision in his speech at the APEC summit in Danang, Vietnam, it is fair to ask how effective the administration has been in articulating this vision to the region and devising a strategy for advancing its goals.

Let me point to two main shortcomings in the rollout of this strategy, with respect to how it is perceived in Southeast Asia. The first is the heavy security focus without a parallel economic approach. Most Southeast Asian countries welcome security cooperation with the United States, but they grow nervous about a United States that only appears engaged on the security front. Even the Rebalance under President Obama was widely criticized for being overly security focused, until the TPP negotiations gained momentum. The U.S. withdrawal from TPP sent shockwaves across the region, since it was the first time that the United States had backed away from leadership on serious economic liberalization efforts in the region. Offering to replace TPP with bilateral trade agreements, premised on the notion that the primary goal is to erase bilateral trade deficits with the United States, does not look like “free and open” trade and holds little appeal for countries in Southeast Asia. Countries are looking for options to balance and hedge against economic engagement with China and their massively ambitious Belt and Road initiative, but despite some talk about “predatory economics,” the administration has not yet offered a compelling vision for how U.S. economic partnership can help countries flourish economically while maintaining strategic autonomy.

The second problem has been the conflation of the “free and open Indo-Pacific” with the Quad. The emphasis on India as part of the strategic framing, as one of the “maritime democratic bookends” to the Indo-Pacific region, has contributed to the over-hyping of the one “new” element of the strategy, which is the resurrection of the Quad – namely cooperation between India, Australia, Japan, and the United States. The Quad met as a grouping for the first time in over a decade at the Assistant Secretary level on the sidelines of the EAS, days after President Trump’s “free and open Indo-Pacific” rollout speech. The news media latched on to this development and overestimated the significance of this meeting. To be clear, the Quad is a useful framework that holds long-term strategic potential, and should be encouraged. But it will take some time before the Quad amounts to much in the way of substantive cooperation and strategic significance. It is

still in the very early days, with no guarantee that all four countries will want to continue regular and high-level engagement. In the meantime, all of the talk of the Quad has crowded out discussion of the role of Southeast Asia in a “free and open Indo-Pacific” strategy. President Trump made no mention of ASEAN or ASEAN centrality in his Danang speech. It was helpful that he convened a U.S.-ASEAN summit in Manila, but no clear messages of how Southeast Asia fits into his vision has been conveyed to the region. This has led many to question whether the Quad is the preferred strategic framework for the Trump administration, and whether it will displace ASEAN centrality. When Singapore’s Foreign Minister Vivian Balakrishnan was asked last week if Singapore would consider joining the Quad, he replied that too many questions remain about the substance of the Quad to consider joining, included whether ASEAN would remain central to the region’s architecture, and whether it would sufficiently promote multilateralism and the rule of law.

### *Recommendations*

1. Articulate a vision of a free and open rules-based order in the Indo-Pacific that puts Southeast Asia at the geographic and diplomatic center, embraces ASEAN centrality, and articulates how better resourced security cooperation will lead to a more stable, prosperous, and rules-based regional order.
2. Encourage President Trump to invite the ten ASEAN leaders to a summit to build on the gains of Sunnylands and give momentum to U.S. capacity building efforts with ASEAN.
3. Encourage President Trump to participate in the East Asian Summit in Singapore this November, and advocate for high-level engagement by the administration in multilateral meetings in the region.
4. Revisit the Trans Pacific Partnership and consider re-joining. The TPP, now renamed the Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP), remains a potent vehicle for market opening and high standard rule-making, in particular in areas of digital trade that will enormously benefit American firms. It also continues to drive regional economic strategies, as seen by officials from both Indonesia and Thailand indicating interest in joining the pact. Rejoining the TPP would benefit U.S. economic interests, and catapult the United States back into a leadership position on trade and investment that has been sorely missed in the region.
5. Extend and expand the Maritime Security Initiative (MSI). Launched in 2016 with a five-year time horizon, MSI authorizes DoD to engage in capacity building efforts to increase maritime domain awareness, information sharing, and maritime security capabilities in key littoral states adjacent to the South China Sea. MSI is a worthy effort to help our littoral partners in their ability to monitor and police their territorial waters and thus resist encroachment and coercion. It also encourages them to share information and work more effectively together in the maritime domain. However, these capacity building efforts take a

long time to bear meaningful results. Congress should consider extending MSI authorities beyond 2020, and expand the scope of coverage to include countries in the Indian Ocean such as Sri Lanka and Bangladesh.