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Congressional Testimony

Strengthening the U.S. Ties with Southeast Asia

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Chairman Bera, Ranking Member Chabot, distinguished members of the Subcommittee:

It is a privilege for me to appear before you today to discuss strengthening America's ties with Southeast Asian nations. As tensions between the United States and the People's Republic of China (PRC) intensify, longstanding doubts about America's credibility are complicating Washington's foreign policy in this vital region – and pose significant challenges for both Congress and the Biden administration.

SOUTHEAST ASIA AND GREAT POWER COMPETITION

How countries trade off between economic relations with the PRC and military protection from the United States will determine much of 21st Century geopolitics. This tension is especially acute in Southeast Asia. Each government in this region has crosscutting interests that tug toward Washington or Beijing, often simultaneously. No two nations view these trade-offs identically; most, however, seek to retain strategic autonomy – best embodied in and secured by the Association of Southeast Asian Nations (ASEAN).

Over several decades, ASEAN's member states have built a network of forums and dialogues with nations throughout the Indo-Pacific. Through them, they have sought to make ASEAN the region's central diplomatic and political hub, as well as a stabilizing force in a region of relatively weak nations.

It is a vision that Beijing fundamentally rejects. When then-PRC Foreign Minister Yang Jiechi openly taunted ASEAN diplomats about “small countries” and “big countries” in 2010, he was signaling the PRC's contrasting model of hierarchical political order dominated by Beijing.¹

With the notable exceptions of Cambodia, Laos, and to a lesser extent Myanmar, most ASEAN nations are deeply disturbed by Beijing's aggressiveness and are hesitant to tilt decisively toward China. And the U.S. Navy's longstanding presence in Singapore, coupled with its defense treaties with the Philippines and Thailand, have checked gross Chinese adventurism while also serving the interests of Vietnam, Malaysia, and Indonesia.

Given these dynamics, and the threat China poses to many ASEAN member states, it is understandable for American policymakers to hope that friendly Southeast Asian nations will follow Australia's path. Over the past decade, Canberra has shifted from a posture of ambivalence (encapsulated in Hugh White's 2012 book *The China Choice*, which advocated for Washington to strike a grand bargain with Beijing for regional influence²) into a pronounced tilt toward the West. Today, Australia is a member of the Quad (U.S., Japan, India, and Australia) partnership and is procuring nuclear-powered submarines under the auspices of the recently-concluded Australia-United Kingdom-United States (AUKUS) strategic partnership.

¹ Quoted in Ian Story, “China's Missteps in Southeast Asia: Less Charm, More Offensive,” Jamestown Foundation China Brief 10, iss. 25, December 17, 2010, <https://jamestown.org/program/chinas-missteps-in-southeast-asia-less-charm-more-offensive/>.

² Hugh White, *The China Choice: Why We Should Share Power* (Oxford: Oxford University Press, 2012).



Yet, U.S. policymakers have long been frustrated with the unsteadiness and unpredictability of Washington's relationships with many Southeast Asian nations. For instance, despite longstanding territorial disputes between Manila and Beijing,³ the Philippines under Rodrigo Duterte has tilted toward Beijing.⁴ A similar situation prevails with Malaysia; after Washington and Canberra formally rejected China's claims in the South China Sea in 2020, Kuala Lumpur registered similar complaints directly to the United Nations – an unusually strong step for Malaysia.⁵ Yet, on the matter of AUKUS, Malaysia has publicly echoed Beijing's concerns.⁶

To be sure, ASEAN members states do not have the geographic separation from the PRC that Australia enjoys. Their proximity to China necessarily heightens their sensitivity. There is, however, a reality that is often overlooked – at least here in the U.S. – that has contributed to the calculus of Southeast Asian nations: the United States has proven itself a fickle and unsteady ally.

To put it simply, the historical arc of U.S. policy in Southeast Asia has given regional governments ample reason to question America's reliability, commitments, and staying power. Their fears, moreover, have been made more acute in recent weeks by the precipitous U.S. withdrawal from Afghanistan, and by a muting of the Biden administration's early clarity about the need for "long-term strategic competition" with the PRC.

THE VIEW FROM ASIA

When it comes to appreciating Asian perceptions of America's regional role, three case studies merit examination. These episodes, and the picture they collectively paint, raise difficult questions about America's credibility in the region.

The first is America's withdrawal from Vietnam in the 1970s. Here, it's useful to remember that ASEAN was founded in 1967 in the midst of – and in response to – the Cold War. It was intended, in the words of journalist Sebastian Strangio, as "a mechanism by which the small nations of the region could attain some measure of autonomy in the midst of great power competition."⁷ On one hand, its member-states were concerned about threats to their sovereignty emanating from China, which at the time threatened Indonesia, Thailand, Malaysia, Singapore, and the Philippines with ideological campaigns.⁸ On the other, however, their most immediate concern was the civil war in Vietnam, and

3 See Jane Perlez, "In Victory for Philippines, Hague Court to Hear Dispute Over South China Sea," *New York Times*, October 30, 2015, <https://www.nytimes.com/2015/10/31/world/asia/south-china-sea-philippines-hague.html>.

4 Benjamin Kang Lim, "Philippines' Duterte says South China Sea arbitration case to take 'back seat,'" Reuters, October 19, 2016, <https://www.reuters.com/article/us-china-philippines/philippines-duterte-says-south-china-sea-arbitration-case-to-take-back-seat-idUSKCN12J10S>.

5 Michael Sobolik and Dominique Reichenbach, eds., *AFPC Indo-Pacific Monitor* no. 10, August 5, 2020, <https://www.afpc.org/publications/bulletins/indo-pacific-monitor/indo-pacific-monitor-no-10>.

6 "Malaysia to seek China's view on Australia's nuclear sub pact," Reuters, September 22, 2021, <https://www.reuters.com/world/asia-pacific/malaysia-seek-chinas-view-australias-nuclear-sub-pact-2021-09-22/>.

7 Sebastian Strangio, *In the Dragon's Shadow: Southeast Asia in the Chinese Century* (New Haven and London: Yale University Press, 2020), 35.

8 Claudia Astarita, "China's Role in the Evolution of Southeast Asian Regional Organizations," *China Perspectives* [Online], 2008/3 | 2008, Online since 01 July 2011, connection on 10 December 2020. URL: <http://journals.openedition.org/chinaperspectives/4103>; DOI: <https://doi.org/10.4000/chinaperspectives.4103>.



the danger of political subversion from a Soviet-backed, unified Vietnam.⁹

When the United States abruptly pulled out of Vietnam in 1975, ASEAN nations were shocked not that America had left, but the way in which it did so. From ASEAN's founding, Southeast Asian nations had expected America to leave Vietnam eventually. Washington's bungled exit, though, stunned the region and exacerbated the threat of Soviet-backed adventurism and PRC-style subversion operations. It also led to hedging behavior by regional states; a year prior to the American pullout, Malaysia established diplomatic relations with the PRC. After Saigon's fall, the Philippines followed suit. And Thailand reached a similar calculation, normalizing relations with Beijing in a bid to have China help to blunt Vietnam's advance.¹⁰

The second episode of note was Washington's response to the Asian financial crisis of the late 1990s. That crisis followed massive growth earlier in the decade precipitated by the end of the Cold War.¹¹ Beginning in 1997, currency values in Thailand and Indonesia tanked and regional growth halted. Washington, however, did not lend a helping hand – despite having given Mexico aid under similar conditions in 1994. It was only the situation in Southeast Asia worsened and risk of contagion grew that the U.S. pledged \$3 billion to Indonesia's bailout fund.¹²

Even so, ASEAN member-states received the message clearly: the United States was an unpredictable partner in a crisis, perhaps even an unreliable one. That is why Japan responded by suggesting the creation of an Asian-centered and Asian-led institution, the Asian Monetary Fund (AMF), structured differently than the IMF and calibrated to suit the needs and developmental paths of Asian economies. Not coincidentally, Tokyo floated this idea after Washington declined to help Bangkok. Firm Western opposition ultimately killed the AMF, however.

For its part, China exploited the situation, contributing to the IMF loans for both Thailand and Singapore, and also committing over a \$1 trillion of investments in Southeast Asian economies.¹³ In so doing, China built up enormous good-faith with ASEAN and laid the foundation to ultimately lead the creation of AMF-like institutions decades later, including the Asian Infrastructure and Investment Bank (AIIB).

The final episode revolves around America's passivity in response to the PRC's reclamation and militarization of the South China Sea in the 2010s. From September 2013 to June 2015, the PRC created over 2,000 acres of artificial land on disputed features in the South China Sea (specifically the

9 Ang Cheng Guan and Joseph Chinyong Liow, "The fall of Saigon: Southeast Asian perspectives," Brookings Institution, April 21, 2015, <https://www.brookings.edu/opinions/the-fall-of-saigon-southeast-asian-perspectives/>.

10 Ibid.

11 Suthad Setboonsarng, "ASEAN Economic Co-Operation Adjusting to the Crisis," Association of Southeast Asian Nations, November 1, 1998, <https://asean.org/asean-economic-co-operation-adjusting-to-the-crisis-by-suthad-setboonsarng/>.

12 Art Pine, "U.S. to Join in IMF Rescue of Indonesia," *Los Angeles Times*, October 31, 1997, <https://www.latimes.com/archives/la-xpm-1997-oct-31-fi-48574-story.html>.

13 "China's Response to the Asian Financial Crisis: Implications for U.S. Economic Interests," *Congressional Research Service*, March 3, 1999, https://www.everycrsreport.com/files/19990303_98-220_59def0ce26c6f54aab46514fa8663e-b8ac2c1951.pdf.



Spratly Islands).¹⁴ In 2016, the Department of Defense upped the figure to 3,200 acres.¹⁵ Further north in the Paracel Islands, China was conducting similar projects.

Beijing made three claims that contradicted customary international law and the United Nations Convention on the Law of the Sea (UNCLOS):

1. That the South China Sea, as defined by China's "nine-dash line," has been the sovereign territory of the PRC "from time immemorial."
2. That, by virtue of this claim, every land feature within the nine-dash line belongs to China – even if it falls within the exclusive economic zone (EEZ) of another nation.
3. That the artificial features China was constructing generated territorial claims, regardless of whether the original features were islands, rocks, or low-tide elevations.

This aggressive diplomacy, linked with *fait accompli* land reclamation, presented serious problems for Vietnam, Malaysia, and the Philippines (as well as Taiwan). While diplomats attempted to address the issue within ASEAN, Beijing exploited its close ties with Cambodia to scuttle any inclusion of the South China Sea in the resulting communique.¹⁶ The episode was a stark example of China exploiting ASEAN's consensus requirement to thwart the diplomatic interests of ASEAN member states.

America's response was twofold: to encourage rival claimant states to submit a case to the United Nations for arbitration, and to engage China diplomatically on the issue. Despite Chinese President Xi Jinping's violation of his pledge not to pursue militarization of the area,¹⁷ the United States moved only belatedly – and then tepidly – to forestall Beijing's gambit. While subsequent U.S. freedom of navigation operations (FONOPs) communicated America's resolve to sail and patrol wherever necessary, China had succeeded in creating new facts on the ground that severely complicated the economic and military calculations of key ASEAN member states.

This background, in turn, casts recent events in Afghanistan in a new and concerning light – both for Washington and for ASEAN.

THE WAGES OF WITHDRAWAL

As the Taliban resurrects its Islamic Emirate, the United States is once again facing the likelihood

14 "Chinese Land Reclamation in the South China Sea: Implications and Policy Options," *Congressional Research Service*, June 18, 2015, https://www.everycrsreport.com/files/20150618_R44072_f366ec875f-807562038948748386312c12acd5f4.pdf.

15 U.S. Department of Defense, "Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2016," April 26, 2016, 13, <https://dod.defense.gov/Portals/1/Documents/pubs/2016%20China%20Military%20Power%20Report.pdf>.

16 Praveen Menon, Manuel Mogato, "Host Malaysia avoids Chinese ire over disputed sea at ASEAN summit," Reuters, April 23, 2015, <https://www.reuters.com/article/us-asean-summit-philippines/host-malaysia-avoids-chinese-ire-over-disputed-sea-at-asean-summit-idUSKBN0NE0TL20150423>.

17 The White House, "Remarks by President Obama and President Xi of the People's Republic of China in Joint Press Conference," September 25, 2015, <https://obamawhitehouse.archives.gov/the-press-office/2015/09/25/remarks-president-obama-and-president-xi-peoples-republic-china-joint>.



of terrorist groups operating at will within Afghanistan. Publicly, the Biden administration is downplaying the threat to the American homeland.¹⁸ In private, President Joe Biden is relying on a great power to keep the threat in check: China. According to a readout of recent deliberations between U.S. Secretary of State Antony Blinken and PRC State Councilor and Foreign Minister Wang Yi, Blinken expressed “hope that China will also play an important role” in stabilizing Afghanistan.¹⁹ This account squares with references from Deputy Secretary of State Wendy Sherman about the interests that Washington and Beijing share in Afghanistan.²⁰

Those interests, however, are borne of necessity. With America’s military footprint now virtually nonexistent, and with Washington maintaining precious little leverage over the Afghan militant movement, the White House now has no choice but to rely on the PRC to police the Taliban.

To be sure, China has no interest in seeing terror groups thriving in Afghanistan either. But Beijing also has cynical motives for working with the Taliban, including advancing its genocide against Uyghur Muslims. Because the Biden administration now depends on Beijing in Afghanistan, it may have little choice but to placate Beijing on this, or other, matters.

This situation could create problems for ASEAN member states on a host of issues, particularly the South China Sea. To their misfortune, Washington is doing now what it did forty years ago when it exited Vietnam. The U.S. has once again haphazardly ended a war on the other side of the world and is relying on others – especially China – to pick up the pieces. This time, however, China is not an economic backwater or a military afterthought. It is the world’s second largest economy, by some estimates the largest, and it has the region’s largest and most capable armed forces.

THE WAY FORWARD

Thankfully, there are encouraging signs that Washington is perhaps beginning to learn from these mistakes. The “Free and Open Indo-Pacific” (FIOP) concept that enjoys widespread support from American allies and partners throughout the Indo-Pacific originated from Japan, not the United States.²¹ Whereas the U.S. has ignored Japan’s advice in the past at critical junctures, its adoption and adaptation of the FIOP is positive. Moreover, the Mekong-U.S. Partnership is a recent and positive initiative that channels American aid and investment into a region increasingly struggling with China’s capricious control of the Mekong River.²²

18 Lara Seligman, “Pentagon warns of worsening terrorist threat as Taliban seize Afghanistan,” *Politico*, August 16, 2021, <https://www.politico.com/news/2021/08/16/pentagon-terrorists-taliban-afghanistan-505203>.

19 Ministry of Foreign Affairs of the People’s Republic of China, “Wang Yi Speaks with U.S. Secretary of State Antony Blinken on the Phone at Request,” August 17, 2021, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1899942.shtml.

20 “US sees ‘unanimity’ with Russia, China on Afghanistan,” *France 24*, August 18, 2021, <https://www.france24.com/en/live-news/20210818-us-sees-unanimity-with-russia-china-on-afghanistan>.

21 Ministry of Foreign Affairs of Japan, “Address by Prime Minister Abe at the Seventy-Third Session of the United Nations General Assembly,” September 25, 2018, https://www.mofa.go.jp/fp/unp_a/page3e_000926.html.

22 U.S. Department of State, “The Mekong-U.S. Partnership and the Friends of the Mekong: Proven Partners for the Mekong Region,” Fact Sheet, August 3, 2021, <https://www.state.gov/the-mekong-u-s-partnership-and-the-friends-of-the-mekong-proven-partners-for-the-mekong-region/>.



Even so, policymakers should regularly assess whether Washington's idea of reassurance and credibility aligns with perceptions in Southeast Asia. America's two premier regional initiatives, the Quad (U.S., Japan, India, and Australia) and AUKUS are commendable moves in the context of competition with China. For ASEAN member states, however, both groupings threaten to move regional decisions and deliberations out of the ASEAN diplomatic process. As discussed previously, these new alignments also expose ASEAN's internal divisions and risk further exacerbating them.

America should not curtail the Quad or AUKUS in response to the difficulties ASEAN faces. Both coalitions increase America's military staying power in the region, to the direct benefit of many Southeast Asian nations. Rather, Washington should give its attention to four matters.

First, the U.S. should work to strengthen trust with partners and allies in Southeast Asia by owning America's past mistakes. None of the case studies reviewed here are ancient history. Each episode entails vibrant memories that are alive and well in the region. American diplomats should acknowledge our failures and commit to learn from them.

Second, America must remain engaged in ASEAN – not performatively, but substantively. ASEAN officials have taken note of the recent absence of U.S. presidents from key summits, an issue which President Biden has the opportunity to rectify.²³

Third, the United States should take the initiative in encouraging Quad and AUKUS partners to account for ASEAN interests in their planning and deliberations. Here, process is more important than outcome. Given the structural tensions at play, ASEAN members will inevitably find themselves at odds with Quad optics or AUKUS programs at one point or another. Backchanneling these issues with key ASEAN members states – and even ASEAN itself, when appropriate – could mitigate these issues and build up additional trust over time.

Finally, Washington should expand its policy repertoire in Southeast Asia and begin targeting Beijing's strategic game. To wit, ASEAN's primary weakness is the internal division of its membership on the U.S. and China. Up until now, the PRC exclusively has leveraged this reality to its advantage. For America, coming to the aid of allies and partners within ASEAN begins with increasing political and economic pressure on China-aligned members, especially Cambodia. Policymakers should consider revoking Cambodia's trade benefits under the Generalized System of Preferences, sanctioning additional entities under Global Magnitsky authorities (ideally in coordination with likeminded partners). Additionally, Washington should examine ways to complicate the ability of the People's Liberation Army (PLA) to operate from Ream Naval Base in Cambodia.²⁴ These steps would go a long way toward rebuilding America's credibility in Southeast Asia.

23 Hau Dinh and Eileen Ng, "Trump skips Asian summits as China set to expand influence," Associated Press, November 14, 2020, <https://apnews.com/article/donald-trump-global-trade-robert-obrien-summits-coronavirus-pandemic-cc041f8c913bf9f55e5801998ef6ad1>.

24 Craig Singleton, "Beijing Eyes New Military Bases Across the Indo-Pacific," *Foreign Policy*, July 7, 2021, <https://foreignpolicy.com/2021/07/07/china-pla-military-bases-kiribati-uae-cambodia-tanzania-djibouti-indo-pacific-ports-air-fields/>.



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Prior to joining AFPC, Michael served as a Legislative Assistant in the United States Senate from 2014 to 2019. While in the Senate, Michael drafted legislation on China, Russia, India, Taiwan, North Korea, and Cambodia, as well as strategic systems and missile defense.

Michael is a graduate of Texas A&M University, where he studied political philosophy as an undergraduate. He also earned his Master of International Affairs degree in American grand strategy and U.S.-China relations at the Bush School of Government and Public Service.

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