



America Has a Credibility Problem in Southeast Asia

October 27, 2021 **Michael Sobolik** *19fortyfive.com*

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How countries weigh the trade-off between economic relations with the People's Republic of China (PRC) and military protection from the United States will determine much of the 21st Century's geopolitics. This tension is especially acute in Southeast Asia. Each government there 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 – which has historically best been 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.

Beijing fundamentally rejects this vision. When, back in 2010, then-PRC State Minister Yang Jiechi openly taunted ASEAN diplomats about “small countries” and “big countries,” he was signaling the PRC's contrasting model of hierarchical political order dominated by Beijing. With the notable exceptions of Cambodia, Laos, and to a lesser extent Burma, 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 and while also serving the interests of Vietnam, Malaysia, and Indonesia.

But despite the threat China poses to many ASEAN member states, U.S. policymakers have long been frustrated with the unsteadiness and unpredictability of Washington's relationships with many Southeast Asian nations. That dynamic is driven by a reality often overlooked here in the U.S., but which weighs heavily in the calculus of Southeast Asian nations: America's fickleness and unsteadiness. Simply put, the historical arc of U.S. policy in Southeast Asia has given regional governments ample reason to question Washington'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 earlier 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.” On one hand, its member-states were concerned about threats to their sovereignty emanating from China, which at the time ran ideological infiltration campaigns in Indonesia, Thailand, Malaysia, Singapore, and the Philippines. On the other hand, however, their most immediate concern was the civil war in Vietnam, and the danger of regional adventurism from their Soviet-backed, unified neighbor.

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 blunt Vietnam's advance.

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 that had been precipitated by the end of the Cold War. 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 when the situation in Southeast Asia worsened and risk of contagion grew that the U.S. pledged \$3 billion to Indonesia's bailout fund.

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 \$1 trillion in investments in Southeast Asian economies. In so doing, China built up enormous good faith with ASEAN and laid the foundation that would ultimately lead to 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 3,200 acres of artificial land on disputed features in the South China Sea (specifically the Spratly Islands). In 2016, the Department of Defense upped the figure to 3,200 acres. 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 fell 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. 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, 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 rebuilds its Islamic Emirate, Washington again faces the likelihood of Afghanistan becoming a terrorist hotbed. Publicly, the Biden administration is downplaying the threat to homeland security. Privately, President Joe Biden is relying on China to keep this threat in check. America's military footprint is virtually nonexistent in Afghanistan, and policymakers possess limited leverage over the Taliban. The White House has no choice but to rely on the PRC – America's foremost great power adversary – to police the Taliban.

To be sure, China shares America's desire to prevent terror groups from operating in Afghanistan. But Beijing also has its own cynical reasons to work with the Taliban – chief among them, continuing its genocide against Uyghurs in Xinjiang, which borders Afghanistan. Because the Biden administration now relies on Beijing's good graces in Central Asia, its leverage against China is significantly weakened.

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. 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.

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 the newly-minted AUKUS alliance 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 such, even as it works to shore up these initiatives, 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 its past mistakes. None of the case studies reviewed here are ancient history. Each episode entails vibrant memories that continue to reverberate in the region. American diplomats should acknowledge our failures and commit to learning 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.

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 arguably more important than outcome. Encouraging this interplay could mitigate tensions and build up trust over time.

Finally, Washington should increase political and economic pressure on China-aligned members within ASEAN, especially Cambodia. Policymakers should consider revoking Cambodia's trade benefits (as the European Union has already done), and sanctioning additional entities (ideally in coordination with partners and allies). Additionally, Washington should examine ways to complicate the ability of the People's Liberation Army (PLA) to operate from Ream Naval Base in Cambodia.

Taken in tandem, these steps would go a long way toward rebuilding America's credibility in Southeast Asia. In the shadow of Beijing's growing regional ambitions, this represents a truly urgent task.

Michael Sobolik Fellow in Indo-Pacific Studies at the American Foreign Policy Council.