

## **ASEAN and the US. Perspectives of Southeast Asia on Relations with the US since Donald Trump.**

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### **Abstract**

*Since the beginning of Donald Trump's presidency, US foreign relations with many countries and regions of the world have significantly altered. Examples of this include the escalating trade conflict with China and the marked departure from the policies of the Obama administration. This is despite the fact that the US under Trump recognizes the importance of Southeast Asia, especially regarding China. How have US relations with ASEAN developed since Trump, and how are US priorities shaping up in times of weakened multilateralism, impending arms races, and escalating tensions in ASEAN and its individual member states? The following is an illustration of the US' ambivalent role in the region.*

Relations with the Association of Southeast Asian Nations (ASEAN) are economically and politically relevant to the US for a variety of reasons. ASEAN's ten member states are home to 635 million people. Moreover, Southeast Asia is one of the most economically and politically dynamic regions in the world. In recent decades, ASEAN's share of the world's GDP has risen significantly. Observers believe that by 2030, ASEAN will be the fourth largest economy in the world after the US, China, and the EU (European Union).<sup>1</sup> Booming economic and population growth makes the region attractive to foreign investment. The emergence of a new middle class has created lucrative markets for trade and consumer goods. As a result, ASEAN plays an important role in the clash of hegemons. ASEAN and the US have a closely entwined history. The US supported the founding of ASEAN in 1967 at a time when the Vietnam War was escalating. Trade remained in the foreground of this remarkable relationship.

Political change in Asia, as in many other parts of the world, is increasingly accompanied by populism, nationalism, internal divisions, and anti-globalization voices. However, the inauguration of Donald Trump in 2017 has led to further political developments in the region. Shortly after taking office, Trump shook a once stable, largely economic relationship by withdrawing from the Trans-Pacific Partnership Agreement (TPP). In particular, the current trade war between China and the US has direct implications for the ASEAN states. Against the backdrop of growing protectionism and the hindering of worldwide free trade by the US, China is actively presenting itself as an alternative trading and investment partner. For the countries of Southeast Asia, this manifests as the rising influence of their powerful neighbor in ASEAN. China is seeking to open up the region for its economic, and perhaps even for its military goals, as exemplified by its huge Belt and Road Initiative (BRI) infrastructure project. Trump's policy has enabled China to take on a much more offensive stance in the Indian Ocean in recent years.<sup>2</sup>

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<sup>1</sup> See Deutsche Welle 2018: China summons free trade at ASEAN summit, 13.11.2018, in: <https://p.dw.com/p/388Nw> [06/10/2014].

<sup>2</sup> See Rimmeli, Peter / Huchel, Philipp, 2018: Further stage in the competition of the great powers, in: Konrad-Adenauer-Stiftung Auslandsinformationen 2/2018, p. 37-49, here: p. 42.

This dispute between the US and China is also highlighted by the recent failure of the Asia-Pacific Economic Community (APEC) to release a joint statement following the 33<sup>rd</sup> ASEAN summit held in Singapore in November 2018. The summit was attended by Vice-President Mike Pence who engaged with Chinese President Xi Jinping in a game of mutual criticism of their respective trading practices and punitive tariffs which essentially prevented the 21 APEC states to agree on a final communiqué.<sup>3</sup>

Are these developments signs of the growing distance between ASEAN and the US? The following analysis of the ASEAN summit and the situation of some individual ASEAN member states provides deeper insight into this question.

### **The Rule-based, Liberal Order is Uncertain**

Although the ASEAN Summit, which took place from 11-15 November 2018 ended on a less negative note compared to the one before, the region continues to face many complex challenges.<sup>4</sup> Five conclusions may be drawn from the Summit: there is movement in the South China Sea; the major powers continue to rely on ASEAN; joint pressure on Myanmar seems to be bearing fruit; the economic integration of ASEAN is progressing; and, the US under President Trump has become a less reliable partner than the region wishes for. However, based on the discussions at the Summit, it is apparent the rule-based order usually understood as the foundation for relative stability and economic prosperity is being challenged.

This order is being challenged as never before not only because of the rise of China as an important regional power but also because - not only because of China's rising influence in the region – but also from the increasingly critical stance the United States as the superpower, which first propagated this order and then enforced it has taken towards it. Under the leadership of President Trump, this order has been called into question both rhetorically and in practice. To the US President, multilateralism and liberal trade regimes do not signify the cornerstones of an international order but instead pose obstacles to the future progress and power of the United States. President Trump remains an unknown in the diplomatic calculations of states in the region – states that are reliant on the permanence of the US security guarantee. As such, the future of the established international order – an order that impacts upon the US and China – is uncertain.

Prior to these significant developments, the ASEAN Summit brought together by far the most important multilateral forum of the Indo-Pacific region, the East Asia Summit. During this Summit, US behavior as directed by Trump unsettled and worried participants. The obvious disinterest of the US president was confirmed by his decision to stay away from this extremely important forum while sending his deputy Mike Pence in his place.

ASEAN states are concerned about the apparent successive replacement of the Asia-Pacific's geopolitical space with the Indo-Pacific – a concept propagated initially by Japan, the US, India,

<sup>3</sup> See Tagesschau 2018: APEC summit ends in dispute, 18.11.18, in: <https://www.tagesschau.de/wirtschaft/apec-gipfel-pence-xi-103.html> [20.11.2018].

<sup>4</sup> See Kliem, Frederick 2018: The 33rd ASEAN Summit - A résumé, in: Country Report Regional Program Political Dialogue Singapore, November 2018.

and Australia (QUAD). In particular, the involvement of India suggests the Indo-Pacific is a neo-containment strategy vis-à-vis China. There was some relief within ASEAN when all four of the QUAD states not only emphasized but also championed the role of ASEAN. While Mike Pence faithfully stuck to the new terminology "Free and Open Indo-Pacific"<sup>5</sup> throughout the EAS, the three other heads of government underlined ASEAN's role as an essential partner in their foreign policy. Pence reassured ASEAN by underscoring the Association's key role at the US-ASEAN summit on the same day, while also emphasizing the "US-ASEAN Strategic Partnership" as one of the pillars of US strategy in the Indo-Pacific. If this had come from the President himself, ASEAN would have been even more inclined to believe it true.

Nonetheless, some calm has returned to the ten states of Southeast Asia. Effort will now be made to integrate the Indo-Pacific concept into its own strategic and institutional plans.

### **Internal and External Economic Connectivity**

The volume of trade between the US and ASEAN amounts to approximately USD 330 billion while trade relations between China and ASEAN total just under USD 520 billion, with an annual increase of approximately 13 percent. The withdrawal of the US from the TPP agreement reinforces the fear that Washington may relinquish its role as the guarantor of free trade. Owing to this, the Regional Comprehensive Economic Partnership (RCEP) agreement is what all free trade negotiations are now focused on – an agreement held to be the future of trade relations in the region. Negotiations are expected to be concluded next year when the agreement will also enter into force. As the agreement will unite ASEAN along with its regional dialogue partners Australia, China, India, Japan, South Korea and New Zealand, under one trade agreement it will further strengthen the position of China and India in the region relative to the US.

Internally, ASEAN must accelerate economic integration within the framework of the ASEAN Economic Community (AEC). In particular, the ASEAN Single Window, the synchronization of national customs and trade regulations as well as improved connectivity between Southeast Asian companies, must be promoted. This measure will strengthen ASEAN domestic trade which even three years after the establishment of the AEC remains far below that of Europe with 25 percent and 70 percent respectively. An expansion is not only sensible, but it is also an easily achievable goal.

### **Regional Integration**

Faced with these challenges, internal unity within ASEAN is clearly important. While there are various internal institutions and processes in ASEAN, final decisions are made by individual governments as ASEAN remains fundamentally an intergovernmental organization. Essentially, it is ASEAN that holds itself back as, without the consent of all ten-member states, movement on

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<sup>5</sup> According to Pitakdumrongkit, "free and open" refers on the one hand to freedom from coercion by other players and includes concepts such as sovereignty, a rule-based order, and conflict resolution. On the other hand, "free" also encapsulates open trade. In their view, trade and industry are key to the Trump administration (see Kaewkamol Pitakdumrongkit, presentation at the KAS conference "International and Regional Security Developments 2018: Implications for Myanmar, 27.11.2019).

an issue is impossible owing to the principle of consensus.<sup>6</sup> For years, Southeast Asia has suffered from weak regional institutions vis-à-vis matters of transnational security. ASEAN is effectively the sum of its individual parts. As such, the following analysis of the relationship between the US and five ASEAN countries is enlightening.

### **The American Influence on Myanmar and the Rohingya Crisis**

During the ASEAN Summit, ASEAN states - flanked by US Vice-President Mike Pence - for the first time put real public pressure on State Councilor Aung San Suu Kyi to address the fate of the at least 700,000 Rohingyas who had fled. It was clearly communicated, as never before in ASEAN, that this is a humanitarian disaster harming ASEAN and presents the regional organization with its largest stumbling block.

Though the positive interaction between Aung San Suu Kyi and President Obama may suggest that many would have wished Hillary Clinton won the US presidency, some Myanmar citizens – especially religious leaders – were delighted with the 2016 election results. Their support for Trump can be explained by their anti-Muslim and nationalist attitudes – positions they perceive they have in common with Trump. Commenting on Trump's election success, the monk U Wirathu from the extremist Buddhist group *Ma Ba Tha* maintained,

*The world singled us out as narrow-minded. But as people from the country that is the grandfather of democracy and human rights elected Donald Trump, who is similar to me in prioritizing nationalism, there will be less finger-pointing from the international community.*<sup>7</sup>

Nevertheless, the US has condemned the Rohingya crisis. In September, President Trump demanded the UN Security Council "resolutely and quickly" tackle the crisis, and Vice-President Mike Pence called for an end to the violence. Two months later, US Secretary of State Rex Tillerson visited Myanmar, the first high official from the Trump Cabinet to visit the country. His approach to tackling the situation was not as confrontational as the previously expressed positions by the Trump administration, and Aung San Suu Kyi herself was grateful for his "understanding of the situation [in Rakhine]".<sup>8</sup> Trump's government has been divided over what position it should take in response to Myanmar's actions in Rakhine. On the one hand, the State Department has spoken out in favor of imposing sanctions such as the freezing of assets and restricting visas for travel to the US on individuals in Myanmar deemed responsible for such action. On the other hand, the Treasury Department was skeptical of the effectiveness of these sanctions.

Republican Senate Majority Leader Mitch McConnell, a longtime advocate of democracy in Myanmar, also called on the US government and the public to place blame squarely on the

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<sup>6</sup> See Kliem, F., ASEAN Imperfect: The Changing Nature of Southeast Asian Regionalism, in: Konrad-Adenauer-Stiftung Panomara 01-2018, p. 23-24, here: p. 24.

<sup>7</sup> U Wirathu, Ma Ba Tha's U Wirathu: Trump's 'Similar to Me', Nov 18, 2016, in:

<https://www.irrawaddy.com/news/burma/ma-ba-thas-u-wirathu-trump-similar-to-me.html> [20.11.2018].

<sup>8</sup> Aung San Suu Kyi, Joint Press Availability With Burmese State Counselor Aung San Suu Kyi, 15.11.2017, in:

<https://www.state.gov/secretary/20172018tillerson/remarks/2017/11/275603.html> [20.11.2018].

military. He argued that the State Councilor was unable to exercise control over the military. Finally, in August 2018, the State Department and the Treasury Department agreed to impose sanctions on four military and border police officers as well as on the 33rd and 99th light infantry divisions.

On the ground, however, US support for Myanmar's democratization and development has continued through the United States Agency for International Development (USAID), the United States Institute of Peace (USIP), and the Carter Center. This year, the number of members of US Peace Corps volunteering to teach English in parts of Myanmar tripled. In addition, wide-ranging scholarships were offered to Myanmarese wishing to study in the US. As for the Rakhine, aid to the Rohingya from the US has doubled since September 2018. In October, the US State Department maintained that Myanmarese officers involved in the operations of the conflict would not benefit from any US aid program. Based on these different approaches by different elements of the US government, the role of the US in Myanmar and, in particular, its approach to the violence in Rakhine, seems as ambivalent as the positions taken by various US officials.

### **Vietnam - The Balance Between Human Rights and Security Strategy**

The relationship between Vietnam and the United States has been shaped historically by the war in the 1960s and 1970s. At the same time, what has dominated Vietnamese foreign, security, and trade policy for decades has been a forward-looking pragmatism striving for balance – a balance especially regarding its position concerning US-China rivalry. Neither the ideological similarity and geographical proximity of Beijing nor the administration of Donald Trump has changed this strategy fundamentally.

Despite serious shortcomings at the national level concerning the rule of law and human rights, in the international arena Vietnam continues to present itself as a proponent of international legal standards as well as multilateral trade and political agreements (even if its own actions do not always reflect this, as demonstrated by the glaring violation of German sovereignty in the Berlin abduction case in 2017). This realist approach is clearly informed by the superiority of China in their bilateral relations. At the same time, Vietnam's political leaders know that this is a policy strategy that is not supported by the Trump government with its current focus on protectionism, or at least only in those instances where it serves American interests. Nonetheless, the decreasing focus on the respect of human rights in the US foreign policy suits the leadership of Vietnam.

There is further consensual rapprochement. Vietnam is identified as a potential strategic partner in both the US security and defense strategy. The country will undoubtedly continue to pay attention to the Trump administration. Prime Minister Phuc was the first head of government received by Trump in the White House. Trump, in turn, attended the APEC meeting in the Vietnamese port of Da Nang in November 2017 and then traveled on to Hanoi. Both the US Secretary of State and the Secretary of Defense have visited Vietnam since the change of government in the US. In addition, there are regular meetings at a higher level of bureaucracy. Great attention has been paid to the fact that in 2018, for the first time after the war, an American aircraft carrier dropped anchor in Vietnam. Further opportunities for cooperation with the US could arise in the context of Vietnam's ASEAN Chairmanship in 2020 and membership as a non-permanent member of the UN Security Council 2020-2021.

In terms of security strategy, the Indo-Pacific strategy for a free and open Indo-Pacific – which is largely driven by the United States, Australia, India and Japan – is of great interest to Vietnam especially as it calls for open sea routes, stimulates trade, and pushes back against China’s desire to expand into the South China Sea. Vietnam benefits from both the strengthening of the principle of freedom of navigation as well as tacit US recognition of claims of various littoral states of the South China Sea.

Although the US withdrawal from the TPP has been a bitter economic disappointment to Vietnam, it has been assuaged by the remaining 11 states agreeing to ratify a modified trade agreement without the US. Vietnam has so far been spared trade or customs restrictions by the US. This is somewhat surprising given its significant trade surplus with the US, similar to China, Mexico, Germany, Canada and Japan.

Vietnam’s leadership sees both threat and opportunity in a trade war between the US and China. On the one hand, there is hardly a country in Asia whose economy depends more on free global trade than Vietnam. More barriers to trade, tariffs, and thus higher prices from suppliers could suffocate its economic upturn. On the other hand, there is the legitimate assumption that companies still producing in China may relocate their production to other countries because of the penalties and rising costs. Vietnam may be considered as a very attractive location as it is an investment-friendly climate, has comparatively low wages and is politically stable – albeit in defiance of human rights and the rule of law.

The situation is different in Cambodia.

### **US and Cambodia: A Strained Relationship**

Relations between Cambodia and the US are currently very tense. However, this has less to do with US foreign policy under Donald Trump than with the troubled US history in Southeast Asia as well as Cambodia’s current domestic political developments. The Cambodian experience of the Vietnam War remains fresh and shapes present-day attitudes. This is because the bombing of Cambodia in 1970 by the US was billed as a “sideshow” of the Vietnam War as well as US support for the then Lon Nol regime. This is another reason why the Cambodian government repeatedly argues against Western influence in the country. To add, in 2017, the largest opposition party – the Cambodia National Rescue Party (KNRP) – was dissolved by the Cambodian Supreme Court as it was accused of planning a “colorful revolution” in Cambodia with the help of the US. As a result, the US-funded National Democratic Institute (NDI) was closed in August 2017 and its staff expelled from Cambodia.

While opaqueness and corruption have long been a problem, these repressions against the main opposition party, foreign NGOs, media, and social media users in the middle of 2017 led to a further deterioration of the situation. The day after the dissolution of the KNRP, the US immediately ceased support of the National Electoral Commission. This was followed by visa restrictions on responsible officials and the passing of the “Cambodia Democracy Act” on 10 May 2018. The law enacted further sanctions against the Cambodian government. This included the blocking of accounts, the freezing of assets, and the maintenance of visa restrictions. While

the European Union reacted more hesitantly than the US, it eventually also withdrew its support for the National Election Commission. This year's election victory of the Cambodian People's Party (CIP) was thus inevitable.<sup>9</sup> Observers see the country on a path to a one-party state and with little sign of declining repression. A China that is rapidly gaining political and economic power is filling the vacuum created by the strained relations with the US. These strong links and simultaneous distancing from Western partners are interpreted differently by Cambodians. The majority hopes that the country will develop economically and politically to rise above developing country status. Nonetheless, at times attempts are made to explain Cambodia's problems with references to cultural idiosyncrasies.

As a small power, Cambodia needs alternatives to choosing a side. It is crucial for it to stay connected to all while building its economy and democracy. At the same time, the susceptibility to being influenced is great. Preserving neutrality remains difficult at best.

### **Thailand as a Reliable Partner**

The depth of US-Thailand relations has increased significantly since Donald Trump took office in January 2017. Under the former US President Barack Obama, the climate between Washington and Bangkok cooled owing to the US pressing for a return to democracy. However, with the Trump administration, relations between the two states are based on being reliable military partners to each other. The background to this is the growing tension between the US and China – a China that demands a dominant role in the region. This demand is illustrated by China's continued rise in defense spending and its disregard of maritime borders in the South China Sea.

Demonstratively, US President Trump received the head of the Thai military junta General Prayut Chan-o-cha and his large delegation to the White House around the turn of the year. Since then, there have been several meetings between senior Defense Department officials - including the US' Secretary of Defense - and senior Thai military officials. An even closer security cooperation agreement has been agreed upon – an agreement that also includes an intensification of US arms exports to Thailand. The symbolic highlight of this decades-long partnership is the annual joint military exercise named "Cobra Gold".

Thailand aims to find a balance between its relations with the US and its relations with China. An example of this is buying weapons from China, while ignoring Chinese wishes by participating in "Cobra Gold". Similarly, Bangkok has ignored American proposals to set up a central US military commander for Southeast Asia in Thailand. At the same time, Thailand is very careful that Chinese investors are not dominant in major domestic industrial projects. It balances this by considering Japanese and American partners.

Thailand remains the most reliable US military partner in the region, followed by Japan, Vietnam, Singapore, and the Philippines.

### **The Economic and Security Relationship between the US and the Philippines**

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<sup>9</sup> See Schmücker, Daniel / Hör, Robert 2018: On the way to a one-party state, in: Konrad-Adenauer-Stiftung country report, 31.07.2018, pp. 1-5, here: p. 3.

Despite President Duterte's emphasis on an "independent foreign policy"<sup>10</sup>, Filipino government officials are trying to make it clear this does not mean severing ties with the US. Instead. The government has emphasized that its focus on independence should be read as merely a move to reduce dependency on Washington while the Philippines continues to understand itself as an ally of the United States.

At the same time, it was important for the Philippines to clarify that this policy is not a rapprochement with China, but merely the strengthening of economic cooperation and the reduction of tension – especially in the territorially disputed waters of the South China Sea. In response to China's increased maritime territorial claims, the Philippines, similar to Vietnam, are therefore cooperating more closely with the US than before. Since October 2015, there are, for example, naval operations of the United States Navy (USN) where vessels have intentionally crossed Chinese claimed territorial waters.<sup>11</sup> Nonetheless, relations with China are as good as they have been in a long time. Although the International Court of Arbitration in The Hague justified the Philippines' action against China's maritime claims, the Philippine government has so far waived pressing for the political implementation of the legal decision.<sup>12</sup>

The US and the Philippines have long been working on concrete measures to improve economic relations, especially in the spheres of agriculture and e-commerce. President Trump has welcomed the proposal for a free trade agreement between the two countries. Negotiations are due to start towards the end of the year.

## Conclusion

This analysis shows that the alteration of US policy to the region is a great challenge. As the ASEAN summit in Singapore in late 2018 and the situation in Myanmar, Vietnam, Cambodia, Thailand, and the Philippines illustrate, the US-led retreat from multilateralism to bilateral relations has caused uncertainty. Also, given current US protectionist inclinations, this has led to a shift towards a greater emphasis on security issues.

President Trump puts less emphasis on multilateralism and a coherent relationship with all in the region via the political body ASEAN. Nonetheless, Chinese initiatives increasingly pose a threat to the sovereignty of many ASEAN states. In this context, the region remains of great significance to the US during the Trump presidency – China's influence is to be controlled and contained through closer military and economic cooperation not with ASEAN, but with the organization's individual member states.<sup>13</sup> While bilateral relations are intensifying in parts, the US is increasingly distancing itself from ASEAN as an institutional partner.

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<sup>10</sup> Galang, Mico A. 2017: US, China, and Duterte's 'Independent Foreign Policy', *The Diplomat*, 06.04.2017, in: <https://thediplomat.com/2017/04/us-china-and-dutertes-independent-foreign-policy> [28.11.2018].

<sup>11</sup> See Nolte et al. 2016: Donald Trump and the Foreign Heritage of Barack Obama, in: GIGA Focus Global Number 7, 11.2016, p.1-14, here: p. 3.

<sup>12</sup> See Frankfurter Allgemeine Zeitung 2018: Suddenly best friends, 22.11.2018.

<sup>13</sup> See Nolte et al. 2016: Donald Trump and the Foreign Heritage of Barack Obama, in: GIGA Focus Global Number 7, 11.2016, p.1-14, here: p. 3.

Though economic relations have been at the heart of this historic cooperation, Trum's shift from multilateral to bilateral relations is significant. The liberal, rule-based order, which Trump prefers affects both the stability of the region and the possibility of conflict resolution. If it is circumvented by bilateral agreements, ASEAN may lose its role as a stabilizing institution of the region.

Certain elements of bilateral relations such as increased military cooperation between the Philippines and US may give the US an advantage over China. Even the US "non-interference" in internal conflicts may have a positive impact on how the US is perceived. In Asia, US interference and its demand for the respect of human rights are often seen as a symbol of prejudice by the West.

At the same time, both have their price. The political weakening of ASEAN by Trum's policies makes each member state vulnerable and more likely to use violent, rather than diplomatic, means to address inter-state conflict.

A weak ASEAN will also be taken advantage of by China and its interest in expanding its influence in the region. ASEAN states on their own are too weak to resist the demands of their big neighbor. This not only harms these states but also the US. Non-interference in human rights violations, as in the case of Myanmar, also provides long-term incentives to refrain from adhering to international law. And it is precisely the conflict in Myanmar, which is already being portrayed and exploited as a religious conflict, that influences a sensitive and emotional field in Asia, which then offers the potential for further escalation across the borders of Myanmar.

The ASEAN states find themselves in a difficult time. Diverse complex economic, political, and social movements challenge the region. These challenges include primarily increasing tensions not only in the South China Sea, but also in the Indo-Pacific – in particular, due to an increasingly expansive Chinese policy. However, these difficulties while challenging, require and demand for ASEAN to play a central role if they are to be responded to successfully.

In sum, the shifting priorities since Donald Trump's presidency have ambivalent effects on the domestic and foreign policies of the ASEAN member states.

However, the heightened tension between the US and China, which is being driven by US President Trump, will certainly have a lasting impact on the region.