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THE CURRENT: What did ASEAN meetings reveal about US engagement in Southeast Asia?

Tuesday, November 5, 2019

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PITA: You're listening to The Current, part of the Brookings Podcast Network. I'm your host, Adrianna Pita.

The annual meeting of the 10-nation Association of Southeast Asian Nations - known as ASEAN – concluded Monday in Thailand. Among the top issues on the agenda were the US and China, access in the South China Sea, and negotiations on the Regional Comprehensive Economic Partnership, a potential broad Indo-Pacific trade deal.

With us today to discuss the outcomes of the ASEAN meetings is Jonathan Stromesth, Senior Fellow & Lee Kuan Yew Chair in Southeast Asian Studies here at Brookings. Jonathan, thanks so much for being here.

STROMSETH: I'm glad to be here.

PITA: What can you tell us about what were some of the major issues that were on the table, and what were some of the major outcomes?

STROMSETH: I just returned from the region this morning. I was in Bangkok a few days ago while the meetings were going on. One thing to understand about ASEAN, this 10-nation Association of Southeast Asian nations is that the chair rotates every year. This last year, Thailand was the chair of ASEAN, that's why they held this annual summit, and for them, they set the theme of sustainable development, climate change, and issues like this. So there were some outcomes related to that – a declaration on advancing sustainable development by 2030, establishing a new center on sustainable development, and looking at climate issues. They didn't end up, as ASEAN and Thailand were hoping, concluding the Regional Comprehensive Economic Partnership or RCEP, this big, mega, 16-country trade deal. But I think it's close and it'll probably happen in a few months. India's dragging its feet at the time.

PITA: On the question of the RCEP, the Regional Comprehensive Economic Partnership, this is a massive deal, involving ASEAN as well as China, India, Japan, S. Korea, Australia and New Zealand. What are some of the concerns that have pushed off finalization on this?

STROMSETH: Well, it looked like everybody was ready to go except India. So, China was pushing it hard and I think India was dragging its feet out of concern that it could lead to an influx of goods into India from China, and I think that had developed as a domestic political issue. The big issue is that the United States isn't part of it, just like the United States isn't part of what they CPTPP, or the Comprehensive and Progressive Trans-Pacific Partnership. So while the US is kind of talking about

bilateral trade deals, the rest of the region is, frankly speaking, moving on with multilateral arrangements.

PITA: On the question of US engagement in the area, while this meeting is a meeting of heads of state, for the most part, last year VP Pence attended instead of President Trump. This year, it was National Security Adviser Robert O'Brien. Does this indicate a permanent downgrade of the region in terms of the Trump administration's priorities? What sort of signal is it sending and what does it mean for US engagement?

STROMSETH: I really hope it isn't permanent, of course, but it is unfortunate for the US that one of the two or three biggest headlines from the summit was the low level of US official participation. Typically, the US president attends these meetings. Two years ago, President Trump did. Last year, Vice President Pence went in his place. And this year it was downgraded further to National Security Adviser Robert O'Brien and Commerce Secretary Wilbur Ross.

It's a bit surprising, because now the US has what they call the Indo-Pacific strategy, and in a recent strategy report they refer to the Indo-Pacific region as the most consequential region for America's future, and Southeast Asia or ASEAN is really at the heart of it. Ross took pains to say, and I'll quote, "The Trump administration is extremely engaged and fully committed to the region," but it seemed kind of a hard sell to a group where basically, just showing up is really important and demonstrates engagement.

And then the other thing that happened, in addition to an Indo-Pacific business forum sponsored by the United States, there was also an ASEAN-US summit that takes place, and this year, seven out of 10 ASEAN leaders actually skipped that meeting, which is a big snub to the Trump administration. They sent their foreign ministers instead. That would seem to be about right in terms of protocol, because it was being hosted by National Security Adviser O'Brien, but I've never seen that before. They did send three prime ministers, and I think ASEAN got together and talked about this, "What should we do?" They sent the Thai prime minister, the Vietnamese prime minister, and the Lao prime minister. They represent the current host of ASEAN or chair, next year's chair, Vietnam, and also Laos is in charge of managing US-ASEAN relations at the current time.

PITA: On the question of China's engagement in this region, I understand that the regional parties have been involved in trying to come up with some kind of code of conduct, some kind of maritime rules for this question of the South China Sea about who has rights and who has access and where. Where does all of that discussion stand?

STROMSETH: They are trying hard to push forward conversations for a code of conduct, which few people think will solve the territorial disputes, but maybe set principles and the groundwork to minimize the possibility of conflict and possibly lay the foundation for resource-sharing and joint development and that kind of thing. You know it's been an interesting year in Southeast Asia over the last year, in the context of this free and open Indo-Pacific policy. The Trump admin has been very critical of China, and I actually chronicled some of this in a paper I just published here at Brookings called "Don't Make Us Choose." Southeast Asia and ASEAN countries in general are very, very worried about China's rising influence, particularly in the South China Sea as you say, where China has a very aggressive island-building and militarization effort that really flouts international law. But what's been really interesting in the region in the last year, from what I can observe on my regular visits, what people are really talking

about is not so much China's rise, but the hard-edged rhetoric of the Trump administration suggesting some kind of perception of a choice, at least, even if that's not their intent.

And what's kind of interesting in all of this is the focus, to some extent, has shifted from the South China Sea to sort of the economic game. This is China's Belt and Road Initiative, or BRI, where it is basically financing infrastructure all over the region just like it is around the world. But in this context what you've had is the Trump administration talking about China's predatory economic policies, debt-trap diplomacy, and warning other nations that China is using these tools, basically, these economic tools, to achieve regional hegemony. And this has been happening just as ASEAN has become smarter at negotiating with China, China's started learning from its mistakes, and there's kind of a mutual learning dynamic in the region I think is going to make BRI probably more sustainable in the long run.

PITA: Can I ask what role the ongoing trade war, how that's changed U.S. engagement with the rest of these countries, or the way the rest of the ASEAN countries are relating to each other with that economic force looming over them?

STROMSETH: It's certainly one reason why they're interested in RCEP, this mega-deal, and hope to get it realized soon. There also has been some unexpected indirect benefits where there's been some supply chains and other export platforms that have shifted to Southeast Asia. Some of that was going to happen anyway, just because of economic forces and maybe cheaper labor and all of that, between China on the one hand and maybe Vietnam, Cambodia, and other Southeast Asia countries on the other. But now they're getting a little worried, because now they are exporting more to the US, and they don't want to get caught in the crosshairs of the Trump administration because of trade imbalances and that sort of thing.

PITA: Looking ahead, as you mentioned, Vietnam will be taking over the chairmanship of ASEAN for the coming year. What does that mean in terms of priorities?

STROMSETH: Well, we don't know yet. I think Vietnam has hinted at some priorities. But because Vietnam is really the front-line country dealing with China on this South China Sea, and considered to be most worked up about it, understandably, there's some speculation right now that maybe they'll develop some themes directly or indirectly that focus a little more on that issue. One thing to understand within ASEAN: There's ten countries, but only four have overlapping territorial disputes with China. You can see how it can actually create divisions as some countries like Vietnam want to take a tougher stand, and other maybe not so much, because they don't want to jeopardize their economic relationship. I should add that National Security Adviser O'Brien read a letter from Trump to the ASEAN leaders at that ASEAN-US meeting inviting them all to a special summit in the United States. So we'll kind of see where that goes. That type of summit has only happened once before and that was in 2016 under the Obama administration.

I would just say that, finally, to its credit, the Trump administration has developed some new trilateral initiatives on infrastructure with Japan and Australia. They're also developing some infrastructure cooperation with Singapore in the region as well. And I think my hope, as I look to the next year, is some of these initiatives on infrastructure will be accelerated and operationalized. They can be hard, often, trilateral MOUs and agreements and that kind of thing, to operationalize, and they sometimes wither on the vine. But as the game gets more and more focused on economic issues and frankly, as mainland Southeast Asia drifts further into China's orbit, I think there's an opportunity for the

United States, working with partners like Japan and Australia – especially Japan, that’s very, very strong on infrastructure – to up our game, raise the standards, and then perhaps reengage China from a position of strength.

PITA: All right. Jonathan, thanks so much for being here and explaining this to us.

STROMESTH: My pleasure.