



# Asia Pacific Bulletin

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## A Strategic Re-Engagement Perspective for ASEAN and the United States

BY EUL-SOO PANG

There has been increasing sentiment between Washington and individual Association of Southeast Asian Nations (ASEAN) countries that the bilateral relationship between ASEAN and the United States must be restructured to reflect rapidly changing realities. For decades, Cold War-obsessed Americans have seen security as the first and foremost concern in Southeast Asia, while Southeast Asians have emphasized economic growth and overall development as their top priorities. Today, both ASEAN and the United States are at a crossroads in their relationship, because of a growing isolationist trend in the United States, partly as a result of U.S. attention to the wars in Afghanistan and Iraq, and the global economic crisis that has had such a negative impact upon the U.S. economy. The growing threat of U.S. isolationism must not be allowed to interrupt the positive momentum of ASEAN-U.S. re-engagement that President Barack Obama and Secretary of State Hillary Clinton initiated in 2009.

In July 2009, Washington signed the Treaty of Amity and Cooperation with ASEAN, and in November Obama met collectively with the ten ASEAN heads of state. Furthermore, the U.S. 2010 Quadrennial Defense Review identifies three security areas for mutual cooperation within Southeast Asia: anti-piracy, counterterrorism, and humanitarian relief. However, if the ASEAN-U.S. relationship is mismanaged, the standing of the United States in the region could be negatively impacted.

For a little over a decade, the United States has found itself in self-imposed isolation within the Asia Pacific. Now that Obama has begun to end America's unwitting self-exile from the region, his first responsibility is to devise and implement a realistic policy of re-engaging ASEAN, even as he seeks to disengage the United States from two inherited wars without weakening the country's resolve to combat global terrorism. The need for burden-sharing of global security responsibilities has convinced Obama, and his key advisers, that the partnership with ASEAN is vital to the overall well-being of the region, as well as that of America. The imperative for finding innovative approaches to forging a convergence of mutual interests in both economic and security spheres has never been greater.

The United States would be well advised to pursue a selective strategic engagement with ASEAN states. This strategy should be highly attractive to the Obama administration and ASEAN. Although the overwhelming desire of regional states to retain neutral, but cooperative relationships, with the United States and China is well recognized, from the U.S. perspective the region contains two security allies (Thailand and the Philippines), one strategic partner (Singapore), and several potential allies and partners (Indonesia, Malaysia, Vietnam, and Cambodia). Furthermore, Japan and Australia have proposed two similar regional architectures.

**Eul-Soo Pang, Visiting Professorial Fellow of the Institute of Southeast Asian Studies (ISEAS), explains that “The need for burden-sharing of global security responsibilities has convinced Obama, and his key advisers, that the partnership with ASEAN is vital to the overall well-being of the region, as well as that of America.”**



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Japan’s proposal excludes the United States, whereas Australia’s includes it. The region has responded in a lukewarm fashion to both proposals. This current situation opens up an opportunity for Obama to make his new policy of re-engagement felt throughout the region. Still, U.S. policymakers must be sensitive to this intricate dance of power-balancing and appreciate the challenge it poses to the Obama administration. To encourage the United States to not just remain in the region but also assume a more proactive role, Singapore has proposed the creation of an ASEAN Plus Eight Summit that would include Washington and Moscow but be separate from the East Asian Summit. Such a move would allow the Obama administration vital access to the region’s central forum of ASEAN Plus Three, as well as an opportunity to engage ASEAN states as economic and security partners and allies in a transparent manner.

Bilateral economic ties are a good starting point from which Obama can launch his re-engagement strategy. Regarding trade, bilateral ties between the United States and ASEAN have been growing within Southeast Asia. In 2008, bilateral trade in the region was around US\$180 billion. Meanwhile, U.S. exports to the ASEAN region reached US\$80 billion, representing a 62% increase since 2002. ASEAN’s exports to the United States, its fourth largest market in the world, accounted for US\$101 billion, increasing by 40% during the same period. While ASEAN states account for 6% of world trade, intraregional trade of \$458 billion represented one-fourth of the total exports and imports (\$1.7 trillion), while extra-regional trade accounted for three-fourths of the \$1.25 trillion total in 2008.

ASEAN’s trade linkages are extra regionally driven, with Japan, the EU-23, China, and the United States as its four top trading partners, in that descending order. However, herein lies the rub: Japan and the EU are of **economic** importance to the region, while China and the United States are of both **economic and security** importance. Economic balancing requires a multilateral approach, while security balancing can be bilateral, hence more disconcerting. Among the four, the United States remains the *primus inter pares*.

How ASEAN plans to cultivate its status with the United States can also impact how Obama will respond to the region’s needs, as well as its hopes. To recap, the Obama administration has signed the Treaty of Amity and Cooperation and the president has attended the ASEAN summit (the first ever face-to-face meeting of an American president and the ten ASEAN heads of state). Obama has also indicated a willingness to revisit Myanmar’s sanctions, and the United States has made positive overtures to ASEAN states regarding trade relations. The time has come for ASEAN to actively engage with the United States. The proposed expansion of an ASEAN Plus Eight forum, including the United States and Russia, is a good start, making the two great powers direct stakeholders in regional economic and security affairs. For the United States, maximizing the centrality of ASEAN is a core of its trade and security strategy within Southeast Asia. For ASEAN, an active reengagement with the United States in the region will ensure continued stability and material prosperity for decades to come. For the world, an ASEAN Plus Eight can be a new global institutional pacesetter, bringing together the United States, China, and Russia under one roof with Southeast Asia, and thereby laying an important cornerstone for 21st century Asia Pacific architecture.

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