U.S.-ASEAN RELATIONS UNDER THE OBAMA ADMINISTRATION, 2009-2011

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Carmia Colette Carroll, B.A.

Georgetown University
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This thesis examines America’s relationship with the Association of Southeast Asian Nations (ASEAN), a regional organization presently made up of ten Southeast Asian countries: Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Vietnam, Laos, Burma, and Cambodia. The aim of this thesis is to trace the improvement in U.S.-ASEAN relations under the Barack H. Obama Administration, which has sought to separate itself from President George W. Bush’s policies and to restore America’s relationship with the region through a re-engagement policy on the political-security, trade, and socio-cultural levels. Under President Bush, the U.S.-ASEAN relationship was strained because he focused mainly on the terrorist threat, especially after the September 11, 2001 bombings on the United States. Since the region, specifically Indonesia, has the largest Muslim population, he regarded it as the “second front” in the war on terrorism.

The scope of the thesis covers the period of the Obama Administration from 2009 to the first six months of 2011. However, the background information on the U.S.-ASEAN relationship dates back to 1967. The organization of the thesis is in six parts. Chapter I, “Introduction: A Review of U.S.-ASEAN Relations, 1967-2008,” traces the major benchmarks in their relationship from ASEAN’s founding until the end of the George W. Bush Administration. Chapter II, “Barack Obama’s Rise to the Presidency and its Effects on the U.S.-ASEAN Relationship,” discusses President Obama’s unique background and connection to Southeast Asia and how his understanding of the region has positively impacted his ASEAN policy. Chapter III, “U.S.-ASEAN Relations in 2009, Obama’s First Year as President,” examines the early implementation of his re-engagement policy on the political-security, trade, and socio-cultural levels. Chapter IV,
“U.S.-ASEAN Relations in 2010, Obama’s Second Year as President,” analyzes the continuity and change in his policy towards Southeast Asia. Chapter V, “U.S.-ASEAN Relations in 2011, Obama’s Third Year as President,” deals with his administration’s relationship with each ASEAN country. Chapter VI, “Conclusion: An Assessment of President Obama’s Re-Engagement Policy with ASEAN,” reviews his policy towards Southeast Asia, noting both cooperation and tension and prospects for the future.
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CHAPTER I


The United States’ relationship with the Association of Southeast Asian Nations (ASEAN) has become of much importance to President Obama’s administration because ASEAN is currently the United States’ fifth-largest trading partner, has an immense Muslim population, and is rising in international influence and prestige. ASEAN, which is a regional organization, is presently made up of ten Southeast Asian countries: Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Vietnam, Laos, Myanmar, and Cambodia. Prior to this, the U.S.-ASEAN relationship was limited and strained under President George W. Bush. During President Bush’s first term, the September 11, 2001 terrorist attacks on the United States occurred and were so profound that they defined his foreign policy. Since the Southeast Asian region has countries with Muslim populations still linked to terrorist organizations, the Bush Administration regarded it as a “second front” in the war on terrorism. Bush’s main concern during this war led some ASEAN officials to criticize his administration for only viewing the region in terms of the terrorist threat. However, Singapore and the U.S. treaty allies, Thailand and the Philippines, contributed troops and continued to support U.S. foreign policy. Thus, President Obama has sought to separate himself from President Bush’s policies and to re-establish a better working relationship with the region.

The aim of Chapter I is to trace the U.S.-ASEAN relationship prior to the start of the Obama Administration to show how relations have evolved. The scope is from 1967, when ASEAN was founded, to 2008 when Obama was elected as president. In order to fully understand the importance of President Obama’s re-engagement policy towards Southeast Asia, it is imperative to know the earlier historical relationship between America and ASEAN. The organization of this chapter is in eight sections. Section I gives some background on ASEAN’s formation in 1967 and on early U.S.-ASEAN ties. Section II discusses U.S.-ASEAN cooperation

Section I: Background on ASEAN and Early U.S.-ASEAN Relations

In the Southeast Asian region, there were several attempts at regional cooperation prior to ASEAN’s formation. The first effort, an external one by the United States, was the Southeast Asian Treaty Organization (SEATO), a containment device which was formed in 1954 by the U.S., Great Britain, France, Australia, New Zealand, Pakistan, Thailand, and the Philippines. It is important to note that only two Southeast Asian nations were members of SEATO and that the organization became dismantled in 1977. The second effort, an indigenous attempt, was the Association of Southeast Asia (ASA) founded in 1961 in Bangkok, by Malaysia, the Philippines, and Thailand. The organization’s focus was on economic, social, cultural, scientific, and administrative goals rather than political concerns. However, its activities were hindered by limited membership and by tensions in Malayan-Philippines relations in 1963 over the Philippine’s claim to North Borneo (Sabah). Malaysia’s formation in 1963– by the inclusion of

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2 Ibid., 6.
Singapore, Sabah and Sarawak—led to a deterioration of relations between Malaysia, Indonesia and the Philippines. A third effort, another indigenous attempt, was the establishment of MAPHILANDO in 1963, which comprised Malaysia, the Philippines and Indonesia. Nonetheless, the attempt failed and the organization became irrelevant after Sukarno, the Indonesian President, launched his Crush Malaysia Campaign from 1963-1966.

Meanwhile, during the 1961-1965 period, Thai Foreign Minister Thanant Khoman sought to mediate both the Malaysia-Philippine Sabah dispute and the Malaysia-Indonesia confrontation. The Philippines claim to Sabah was then deemphasized after President Marcos was elected in 1965. Later that year, in Indonesia, a coup led by General Suharto resulted in the swift decline in Sukarno’s influence and power, which led to his eventual overthrow. So, because of these political changes, “some Southeast Asian countries were intellectually and conceptually prepared in 1967 to cooperate with each other.”

Hence, the foreign ministers of Indonesia, Malaysia, the Philippines, Singapore, and Thailand signed the Bangkok Declaration on August 8, 1967 to form ASEAN. The Declaration states, “ASEAN was formed to foster economic, social, and cultural cooperation and to promote regional peace and stability.”

At the time of ASEAN’s formation, America welcomed the new regional organization because it was pro-West, anti-Communist, and espoused a free enterprise system. As the U.S. was then heavily involved in Vietnam, it appreciated ASEAN’s strong stance against communism. However, with the Vietnam War at its height in 1967, few nations, including the United States,

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3 Ibid., 6-7.
4 Ibid., 7.
5 Ibid.
6 Ibid.
7 Ibid., 5.
paid careful attention to the ASEAN initiative or to the salience of the new grouping. Some believed the organization would be a “brittle alliance, containing a strange mix of aligned and nonaligned nations.” They were skeptical of the regional grouping because of such factors as the vast differences in their political, legal, and administrative systems; their religions; their cultures and identities; and their geographical composition. When ASEAN was established, U.S. President Lyndon B. Johnson recognized the organization but it would be later on in the relationship that America would come to fully appreciate the Association.

Section II: U.S.-ASEAN Cooperation on the Indochina Refugees after 1975

The fall of South Vietnam, Cambodia, and Laos to communism in 1975, after heavy U.S. involvement in Indochina since the 1950s, made the United States reluctant to engage in Southeast Asian affairs. Nevertheless, the U.S. had to face the repercussions from the Vietnam War, which included the following: the POW/MIA issue, an influx of refugees, Amerasians (Vietnamese children of American fathers), and the effects of the use of Agent Orange in the Vietnam War. In particular, America had to manage the hundreds of thousands of Indochinese refugees who fled to several Southeast Asian countries as a direct consequence of that war. In 1975, the U.S. did not face this problem alone and was able to count on the ASEAN nations to forge various degrees of cooperation on the Indochina refugee issue.

In 1975, the change in political regimes in Vietnam, Cambodia, and Laos precipitated mass movements of refugees from these countries into Southeast Asia. They fled by land or by sea to neighboring countries for refuge. In May 1975, at the urging of the United States, the United Nations High Commissioner for Refugees (UNHCR) issued a worldwide appeal for help to

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8 Robert J. McMahon, The Limits of Empire: The United States and Southeast Asia Since World War II (New York: Columbia University Press, 1999), 143.

9 Ibid., 143.

resettle these Indochinese refugees displaced outside their country.\textsuperscript{11} In July 1975, Thailand signed an initial agreement with the UNHCR, under which Thailand pledged to provide temporary assistance to new arrivals, including food, shelter, clothing, and medical care.\textsuperscript{12} However, Thailand became the most affected by the refugees especially since it borders Laos and Cambodia and is in close proximity to Vietnam. Over 25,000 land refugees and about 21,000 sea refugees that escaped by boat sought first asylum in Thailand.\textsuperscript{13} Malaysia accepted 1,200 Cambodian Muslims while Singapore accepted nearly 2,000 refugees, mostly from Vietnam.\textsuperscript{14} The first boat people who landed in the Philippines included 2,600 Vietnamese dependents of Filipino overseas workers.\textsuperscript{15} Indonesia did not initially face the problems of its neighbors; it had the luxury of largely avoiding the problem of unwanted Indochinese. This was because most of the refugees fled by boat and it was more convenient for them to seek shelter in Malaysia than to go on a longer voyage south to Indonesia.\textsuperscript{16} After seeking refuge in these Southeast Asian countries, the Indochinese refugees would then be resettled in the United States or in other countries that were willing to accept them. By the end of 1975, about 130,000 Indochinese refugees had been resettled in the United States.\textsuperscript{17}

In February 1979, the refugee crisis was far from over as there were still about 218,000 Indochinese refugees in temporary asylum in mainly ASEAN states. There were around 147,000

\begin{enumerate}
\item[12] Ibid., 20.
\item[15] Ibid., 23.
\item[17] Ibid., 1.
\end{enumerate}
in Thailand, 51,000 in Malaysia and a combined 20,000 in the Philippines, Hong Kong, Japan, and Indonesia.\(^{18}\) In that same year, the United States continued to respond to the refugee crisis by offering humanitarian aid to Vietnam, Laos, and Cambodia. The United States formed programs under the UNHCR to help alleviate problems that neighboring ASEAN countries faced with the refugees, since they were countries of first asylum.\(^{19}\) For instance, the U.S. offered funds for housing the refugees. Under President Jimmy Carter, the U.S. also set up the Orderly Departure Program (ODP) in Vietnam to facilitate the departure from Vietnam of those with close association to the United States, such as employees of the U.S. Government or of other U.S. organizations, and persons formerly associated with U.S. policies or programs.\(^{20}\) Despite U.S. reluctance to engage in Southeast Asia, it was obligated to provide assistance to the Indochina refugees and was able to rely on the ASEAN countries for help.

Even so, tensions did arise between ASEAN countries and the U.S. regarding the Indochina refugees. While from a cultural viewpoint the U.S. believed that Southeast Asia was the best place of first asylum for the refugees, this was not the case and the huge increase in refugees caused social and economic problems for the countries of Malaysia, Thailand and Indonesia, the most affected by the refugee problem.\(^{21}\) In particular, Malaysia had the most delicate situation because of its ethnic composition, which at the time was 47 percent Malay, 34 percent Chinese, 9 percent Indian, 4 percent Dyak, 2 percent Kadazans, 3 percent Other Natives,

\(^{18}\) Ibid., 1.


\(^{20}\) Ibid.

From 1975-1979, around 70 percent to 80 percent of the refugees that left Vietnam were ethnic Chinese, a factor that worried the Malaysian Government since it feared that the country’s racial balance would be adversely affected. In addition to the cultural tension, economic tension also arose. The ASEAN nations had limited resources and could not afford to take in large numbers of refugees. Many of the ASEAN states also feared that the temporary camps established on their lands would turn into permanent camps. The U.S. responded by providing more funding to the ASEAN states for the refugees and by hastening the processing of the refugees for their departure to countries for permanent settlement. By this time, ASEAN was very burdened by the refugee crisis and spearheaded the 1979 International Conference on the Indochinese Refugee Crisis that was held in Geneva. Participant countries at the Conference “agreed that resettlement of refugees should proceed on a larger and faster scale with increase in acceptances of asylum seekers” and also pledged around $160 million to the UNHCR to help with the refugees.

Section III: U.S.-ASEAN Developments in 1977 and 1984

Under the Carter Administration, the United States and ASEAN became Dialogue Partners on September 8, 1977. ASEAN’s Dialogue Partner System (DPS) was formally established after ASEAN’s first Summit in Bali in February 1976. The first U.S.-ASEAN Dialogue meeting was held in Manila from September 9-10, 1977, and was an important occasion which added a new dimension to their relationship. ASEAN welcomed the addition of the

22 Ibid., 118.
23 Ibid., 116.
24 Ibid., 119-121.
“United States to the expanding linkage of cooperative endeavors between ASEAN and the developed world.” Both sides also noted the importance of ASEAN as a positive force for peace, development, and prosperity in the region. They planned to hold discussions with the common goal of facilitating mutual interests and relationships through a regional approach. Moreover, they “agreed that a successful beginning had been made in initiating the all-important process of continuing consultation and cooperation.” The establishment of the Dialogue Partnership helped to improve relations at a time when the United States was still hurting from the Communist victory in the Vietnam War. The Dialogue Partnership continues until today and maintains an integral role in U.S.-ASEAN relations.

During President Ronald Reagan’s administration, U.S. trade and investment with the ASEAN states grew rapidly and was a compelling reason to increase U.S. ties with the region. In 1984, the U.S.-ASEAN Business Council was formed and was designed to serve as the primary source for information about ASEAN in the United States. The Council is the premier advocacy organization for U.S. corporations operating within the ASEAN nations. It is the only U.S.-based organization mentioned in the ASEAN Charter signed at the 13th ASEAN Summit in November 2007. The Council provides “consultations that offer both sides an opportunity to exchange views on the business and investment climate and to examine ways in which U.S. companies can

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27 Ibid.
28 Ibid.
29 Ibid.
30 McMahon, *The Limits of Empire: The United States and Southeast Asia Since World War II*, 197.
32 Ibid.
work together with the ASEAN Ministers to promote trade and investment in the region.\textsuperscript{33} The Council has expanded U.S.-ASEAN ties and it regularly hosts events and dialogues with officials from all ten ASEAN nations and officials from the ASEAN Secretariat when they visit the United States.

Section IV: U.S.-ASEAN Relations during the Third Indochina War, 1979-1989

In response to Vietnam’s December 25, 1978 invasion of Kampuchea, the U.S.-ASEAN relationship continued to strengthen as the U.S. allowed ASEAN a leading diplomatic role in trying to resolve the conflict between Vietnam and Cambodia. ASEAN condemned Vietnam’s invasion and occupation of Cambodia, refused to recognize the Heng Samrin regime set up by Vietnam, and sponsored yearly resolutions in the U.N. General Assembly calling on Vietnam to withdraw its forces from Cambodia. In November 1979, the United States claimed that ASEAN was the “key to Southeast Asia” and that Thailand was “the key to ASEAN.”\textsuperscript{34} As America was still preoccupied with an array of consequences from the Vietnam War, it preferred a low-key profile during the Third Indochina War. To show its commitment to ASEAN, America endorsed a firmer diplomatic role for ASEAN in this war.\textsuperscript{35} At the same time, the U.S. did provide some help and aid in the Kampuchean crisis. For example, in order to counteract a famine in the country, the Carter Administration provided humanitarian aid to the Khmer people. In this connection, by July 1, 1980, “the U.S. Government had spent $108,810,500 in relief assistance to Cambodia, which excluded the $1,425,000 spent the previous year.”\textsuperscript{36} President Ronald Reagan then sustained President Carter’s approach in handling the Third Indochina War. For instance, his Assistant

\begin{flushright}
\textsuperscript{33} Ibid.
\textsuperscript{35} Ibid., 291.
\textsuperscript{36} Ibid.
\end{flushright}
Secretary for East Asian and Pacific Affairs, Ambassador John H. Holdridge, reiterated that “this administration, like the previous one, has given its wholehearted endorsement to the ASEAN-sponsored U.N. General Assembly resolutions on Kampuchea as the best basis for a settlement in the Kampuchea problem.”

Over the course of the conflict, which lasted to 1989, ASEAN succeeded in obtaining international support with its diplomatic initiatives to help resolve the problem. One initiative was the U.N. International Conference on Kampuchea, held in New York City from July 13-17, 1981, which had two major goals:

1. The restoration of a sovereign Kampuchea free of foreign intervention with a government representing the wishes of the Khmer people and
2. A neutral Kampuchea representing no threat to any of its neighbors.

Another ASEAN initiative was the formation of a coalition government by the three main Kampuchean resistance groups as a united force against the Vietnamese backed Heng Samrin regime. In 1982, ASEAN succeeded in getting the three main Kampuchean resistance groups—the Khmer Rouge, the Khmer People’s National Liberation Front, and the Sihanoukist National Army—to form the Coalition Government of Democratic Kampuchea (CGDK). The Reagan Administration stated that “we welcome and endorse the CGDK’s formation,” and later offered the “coalition government military aid and provided both overt and covert aid through the CIA funds for non-lethal supplies.” Yet another initiative was ASEAN’s request to the U.N. General Assembly to seat the Democratic Kampuchean delegation, which was granted for three

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37 Ibid., 295.
38 Ibid., 294.
39 Ibid., 295-296.
40 Ibid., 296.
41 Ibid., 296-297.
consecutive years. The General Assembly’s adoption of U.N. resolution 35/6 called for U.N. supervision of all foreign forces and for the restoration of Khmer self-determination.\textsuperscript{42}

In 1985, another initiative by ASEAN was a proposal for “proximity talks.” These talks helped paved the way for a peaceful solution to the Kampuchean problem.\textsuperscript{43} The talks also called for negotiations between the four factions in the dispute: the two non-communist resistance groups, the communist faction, (the Khmer Rouge), and the Heng Samrin regime, the puppet government installed by Vietnam. The proximity talks did take place although Vietnam initially rejected them.\textsuperscript{44} In February 1989, ASEAN held more talks through the Jakarta Informal Meetings (JIM talks), which again brought together the four Cambodian factions as well as the Vietnamese, Lao, and Indonesian representatives.\textsuperscript{45} The talks were successful as Hanoi stated that it would withdraw its remaining 50,000 troops from Kampuchea by the end of September 1989.\textsuperscript{46} The U.S. maintained its low profile in the Kampuchea conflict as ASEAN took on the leadership role. The U.S.-ASEAN cooperation over the conflict, therefore, expanded U.S. interaction with both ASEAN and Thailand.


In the early 1990s under President George H.W. Bush, the U.S.-ASEAN relationship continued to progress as both sides maintained their cooperation when dealing with the aftermath of the Third Indochina War. Both wanted a peaceful Cambodian settlement process and for Cambodia to become a sovereign state. In the case of the U.S., on April 9, 1991, the Bush

\textsuperscript{42} Ibid., 297.

\textsuperscript{43} Ibid., 301.

\textsuperscript{44} Ibid., 301-302.

\textsuperscript{45} Ibid., 306.

\textsuperscript{46} Ibid.
Administration laid out a “road map” which was a series of necessary provisions that Vietnam had to satisfy in order to establish a phased normalization with the United States:

- Phase one was to begin in October 1991 with the signing of a peace agreement on Cambodia; Phase two would commence after the U.N. Peacekeepers were well established in Cambodia; Phase three would follow once U.N. procedures and a Cambodian settlement process were well in place; and Phase four would start once a U.N.-certified free election took place in Cambodia; when a Cambodian National Assembly was formed and writing a new constitution; once the factional forces specified in the 1991 accord were demobilized; and the objectives of the U.S.-Vietnam 2-year bilateral effort to resolve POW/MIA issues were achieved. 47

On October 23, 1991, “a comprehensive Cambodian Peace Treaty was initialed in Paris, which was an agreement put together by the United Nations Security Council’s permanent members, with assistance from the ASEAN states.” 48 At first, not all the terms spelled out in the road map were accepted by Vietnam, slowing the pace of Vietnam’s normalization with the U.S. Still, the Cambodian Peace Agreement was a major triumph for ASEAN, giving the Association an elevated status that the international community recognized. 49

Under Bush’s successor, President Bill Clinton, U.S. dealings with the regional organization saw further improvement in the early 1990s. Clinton’s approach to Southeast Asia was to increase U.S. attention to the region through peace and trade, in part to help America’s own economic recovery efforts. In one of his earliest economic diplomatic initiatives, Clinton hosted, at Seattle in November 1993, a summit meeting of the recently formed Asia-Pacific Economic Forum (APEC). 50 Clinton invited each of the ASEAN heads of government to attend this meeting;


48 McMahon, The Limits of Empire: The United States and Southeast Asia Since World War II, 207.

49 Ibid.

50 Ibid., 210.
only Malaysia’s Mahathir Mohammed declined.\textsuperscript{51} The Clinton Administration also worked to reestablish diplomatic relations with Vietnam. For instance, in February 1994, the U.S. lifted its embargo on Vietnam. Furthermore, in July 1995 the U.S. formally normalized relations with Vietnam and recognized Vietnam as ASEAN’s seventh member. The U.S. and Vietnam also signed an agreement to establish liaison offices in their capitals.\textsuperscript{52} Overall, during Clinton’s first term, 1991 to 1996, U.S.-ASEAN relations were enhanced while U.S.-Vietnam relations vastly improved. Also, in 1995, the United States began to place greater emphasis on multilateral institutions. Accordingly, the U.S. participated in the APEC Forum and the ASEAN Regional Forum (ARF), both of which displayed U.S. commitment to ASEAN and their close ties.

Section VI: U.S.-ASEAN Relations in 1997

The Asian financial crisis, which began in July 1997, was a period of economic downturn that adversely affected much of Asia and raised fears of a worldwide economic meltdown. The crisis started in Thailand with the financial collapse of the Thai baht, caused by the “decision of the Thai government to float the baht, cutting its peg to the USD, after exhaustive efforts to support it in the face of a severe financial overextension that was in part real estate driven.”\textsuperscript{53} At the time, Thailand had acquired a burden of foreign debt that made the country bankrupt even before the collapse of its currency.\textsuperscript{54} As the crisis spread to the rest of Southeast Asia, most of the countries saw “slumping currencies, devalued stock markets and other asset prices, and a rise in

\textsuperscript{51} Ibid.


\textsuperscript{54} Ibid.
private debt."  

Indonesia and Thailand were the ASEAN countries most affected by the crisis while Malaysia, Laos and the Philippines were also hurt. Singapore, Brunei and Vietnam were less affected, although most of the countries throughout the region suffered.  

Before the crisis hit, the Southeast Asian region was a major trading partner of the United States, with trade increasing by more than 100 percent between 1985-1995 and expected to double by 2001.  

At the start of the Clinton Administration, ASEAN ranked as America’s fourth-largest regional trading partner, with 5 percent of all U.S. exports going to ASEAN. However, the 1997 Asian financial crisis altered U.S.-ASEAN relations. Because the United States provided a bilateral bailout to Mexico in 1994, Southeast Asian leaders in Thailand and Indonesia hoped that they too would receive U.S. bailouts. But the Clinton Administration disappointed them and the Southeast Asian community in general when it responded very slowly to the crisis and failed to offer any bilateral bailouts to the hardest-hit states. Instead, the U.S. used the International Monetary Fund (IMF) to make demands for reform and to impose its “one size fits all” solution on the region. Some in Washington “opined that non-democratic governance, lack of transparency, and ‘Asian values’ had caused the problems.” This attitude generated significant resentment in Southeast Asia and contributed to anti-U.S. sentiment in the region.

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55 Ibid., 195-196.  
56 McMahon, The Limits of Empire: The United States and Southeast Asia Since World War II, 211.  
57 Ibid.  
59 Ibid.  
60 Ibid., 625-626.
Despite a non-U.S. bailout during the crisis, the IMF, the World Bank, and the Asian Development Bank provided Indonesia with an assistance package that totaled $43 billion.\textsuperscript{61} However, the crisis was mismanaged by the IMF and President Suharto, which caused full-fledged panic and made the resulting economic problem much deeper than necessary. For example, the IMF program initially “mandated overly-austere fiscal policies, and demanded that banks recapitalize too quickly.”\textsuperscript{62} In addition, President Suharto made misguided decisions. For instance, he allowed his son to open a new bank when a bank owned by the son had just been closed the week before.\textsuperscript{63} As a result, the economic crisis in Indonesia developed into a political crisis, which ended in several bloody riots that culminated in Suharto’s resignation.\textsuperscript{64} Many shops and homes were also destroyed in the riots while substantial economic activity was disrupted. For example, the shops and homes of many Indonesian Chinese were destroyed, causing them to flee the country.\textsuperscript{65}

In the case of Thailand, the international community, led by the IMF, agreed to provide an assistance package of $17.1 billion to its government at the end of August 1997. The Asian Development Bank committed nearly $1.8 billion to this package.\textsuperscript{66} The package, however, was subject to conditions, such as “passing laws relating to bankruptcy procedures and establishing

\textsuperscript{61} Hunter, Kaufman, and Krueger, \textit{The Asian Financial Crisis}, 123.


\textsuperscript{63} Ibid., 173-174.

\textsuperscript{64} Ibid., 174.

\textsuperscript{65} Ibid.

strong regulation frameworks for banks and other financial institutions.\textsuperscript{67} Unfortunately, the IMF’s program for Thailand was also misguided:

First, the program underestimated the depth of the structural difficulties that beset Thailand’s banking and financial system. Second, the program aimed at fiscal targets that were much too tight. Third, the program failed to anticipate the extent to which the region would become mired in the financial turmoil of the crisis.\textsuperscript{68}

Just prior to the crisis Thailand had undergone a major constitutional reform. Its 1997 Constitution, called the “People's Constitution,” created a bicameral legislature with directly elected officials in each chamber.\textsuperscript{69} Unlike Indonesia, Thailand was able, in the 1990s, to accomplish a peaceful, legitimate, constitutional change of government in the midst of the crisis.

Section VII: U.S.-ASEAN Relations under President George W. Bush, 2001-2008

Under President George W. Bush, the September 11, 2001 terrorist attacks on the United States were so profound that they defined his foreign policy, particularly towards Southeast Asia. To him, the region became a critical second front during the war on terrorism. The Bush Administration assigned this role to the region when:

> several internationally and regionally linked terrorist cells (stationed in Singapore, Indonesia, and the Philippines) were discovered plotting against the U.S. and its regional assets. Southeast Asia, with its combination of the largest Muslim population; dissident and separatist movements; permeable borders and easy transnational communication; under-resourced and occasionally compromised intelligence, police, and military services, has been characterized by his administration as a “fertile breeding ground for terrorist operations.”\textsuperscript{70}

\textsuperscript{67} Ibid., 195.

\textsuperscript{68} Ibid.


\textsuperscript{70}Mauzy and Job, “U.S. Policy in Southeast,” 635.
Tragic events in Indonesia, such as the bombings in Bali in 2002 and 2005 and in Jakarta in 2003 and 2004, as well as the activities of other Southeast Asian terrorists, led the Bush Administration to label the region a second front.\textsuperscript{71} When links between al-Qaeda and Southeast Asian militant organizations like Indonesia’s Jemhah Islamiyah and the Philippine’s Abu Sayyaf group were discovered, they served as confirmation of the Bush Administration’s assessment.\textsuperscript{72}

In response to the attacks, the Bush Administration “effectively worked to construct a hub-and-spokes arrangement of bilateral counterterrorist relationships with Southeast Asian states.”\textsuperscript{73} Key among these have been the bilateral efforts formed with the Philippines, Indonesia, and Singapore. Relations with Malaysia and Thailand, however, were more delicate because of “direct and indirect, monetary and non-monetary benefits to the states involved.”\textsuperscript{74} Yet, multilateral approaches, which the Southeast Asian region prefers to utilize, were only selectively used by the Bush Administration. Initially, “collective gestures of solidarity and cooperation” were made at the ARF and ASEAN meetings. Accordingly, in 2002, the U.S. offered to fund the Southeast Asia Regional Center for Counterterrorism in Malaysia and it was established the following year. In 2003, a U.S.-ASEAN Counterterrorism Work Plan was also introduced for the region.\textsuperscript{75} The same year, combined U.S.-ASEAN efforts led to the capture in Thailand of Hambali, one of the planners of the 2002 Bali bombings.

Meanwhile anti-U.S. sentiments were rising in Southeast Asia and around the world because of several Bush policies. For example, there was much anger when he went to war against

\textsuperscript{71} Ibid., 635.
\textsuperscript{72} Ibid.
\textsuperscript{73} Ibid., 636.
\textsuperscript{74} Ibid.
\textsuperscript{75} Ibid., 637.
Afghanistan in 2002, without U.N. approval.\textsuperscript{76} There was also anger in predominately Muslim countries around the world, including those in Southeast Asia, that he was attacking a Muslim nation. Anger also increased regarding Bush’s policies towards Iraq. For example, he refused to accept the U.N. report that claimed that Iraq had no weapons of mass destruction. Anti-U.S. sentiment also arose over U.S. treatment of Muslim prisoners in Guantanamo Bay in Cuba and Abu Ghraib in Iraq.\textsuperscript{77} In 2003, Bush also went to war against Iraq, another Muslim country. By now his actions were being seen as unilateral measures and as a war against Islam. Meanwhile, terrorists’ threats increased in Southeast Asia and around the world. For instance, Madrid was bombed in March 2004, London in July 2005, and Bali again in October 2005.

That same year, ASEAN officials were unhappy when Secretary of State Condoleezza Rice missed the ASEAN foreign ministers’ meeting and the ARF Meeting in Vientiane, Laos, because of other pressing priorities regarding the Middle East. This absence showed disregard for Southeast Asia’s regional organization. By this time, America’s unilateral approach in foreign policy, its wars in Afghanistan and Iraq, its use of military means as primary strategy in combating terrorism, and its pro-Israel polices had become more problematic for some ASEAN member states. Bush’s policies in his first and second term were not well received by the ASEAN states, especially those with predominately Muslim populations. According to Mauzy and Job, America’s lack of effort to see the Southeast Asian region as more than just a haven for terrorists were “viewed as incomplete and inefficient and ultimately undermining the ‘incipient community’ embodied in ASEAN.”\textsuperscript{78} They also point out that Bush’s policies on terrorism have been

\textsuperscript{76} 631.


\textsuperscript{78} Mauzy and Job, “U.S. Policy in Southeast,” 635.
“promotion of an over-simplified notion of the problem.” Moreover, they argue that, “the effectiveness of the regionally based modes of multilateral consultation of ASEAN and its institutions remained underappreciated, by the U.S., as a means of building transnational consensus and cooperation.” Not surprisingly, the U.S.-ASEAN relationship experienced tensions under the Bush Administration’s policies on terrorism.

Section VIII: Conclusion

In conclusion, since ASEAN’s establishment, its relationship with the United States has been shaped by various developments that have given their relations a unique history. At the beginning, because ASEAN was new, the U.S. did not know what to make of it but it did support the regional organization because it was pro-West, anti-Communist, and followed a free enterprise system. After America’s long and tragic involvement in the Vietnam War, which made it reluctant to engage further in Southeast Asian affairs, it was able to forge cooperation with ASEAN on the Indochina refugee crisis. This cooperation was also mixed with some tension. U.S.-ASEAN relations improved when the U.S.-ASEAN Dialogue Partnership was formed in 1977 and when the U.S.-ASEAN Business Council was created in 1984. Throughout the Third Indochina War, from 1978 to 1989, U.S.-ASEAN relations were strengthened through their common goal to end the invasion and occupation of Cambodia by Vietnam. Since the U.S. had to deal with many repercussions from the Vietnam War, it looked to and supported ASEAN in its lead diplomatic role to resolve the Cambodian conflict. This conflict led to a higher profile for ASEAN on the world stage. From 1991 to 1993, relations continued to expand when both collaborated on the Cambodian peace process. Under President Clinton, trade with the region doubled. In 1995, the U.S. normalized relations with Vietnam and recognized its membership in ASEAN.

79 Ibid.
80 Ibid., 640.
However, in 1997, the U.S.-ASEAN relationship was challenged when the Clinton Administration failed to provide bailouts to Thailand and Indonesia, altering some ASEAN leaders’ perceptions of the United States. While President George W. Bush was in office, from 2001 to 2008, relations with ASEAN continued to falter because of America’s narrow view of the region during the war on terrorism and its many policies that fanned anti-U.S. sentiment. These policies included labeling Southeast Asia as a second front, using a unilateral approach in foreign policy, going to war with Afghanistan without U.N. approval, invading Iraq even though the U.N. found no weapons of mass destruction, and the ill-treatment of Muslim prisoners. Moreover, Condoleezza Rice’s absence at the ASEAN regional meetings added to ASEAN’s dissatisfaction with the U.S.

The turn of events in U.S.-ASEAN relations under President Bush placed America in a position where it was in need of re-engaging with the ASEAN countries. By November 2008 when Barack Obama won the presidential elections, the ASEAN region had become the United States’ fifth largest trading partner. The region also has the strategic Straits of Malacca and two U.S. treaty allies—Thailand and the Philippines. Moreover, ASEAN was a vital partner in fighting terrorism. With multilateralism becoming the regional trend, America also needed to move beyond President Bush’s policies. As the next chapter will show, the Obama Administration has risen to the challenge of re-engaging with Southeast Asia.
CHAPTER II
BARACK OBAMA’S RISE TO THE PRESIDENCY AND ITS EFFECTS ON THE U.S.-ASEAN RELATIONSHIP

The background of Barack Obama is unique as he is the first African American president of the United States with Caucasian and African roots. His distinctive background includes his personal knowledge of Southeast Asia as he spent four years of his childhood in Indonesia with his American mother and Indonesian stepfather, making him the first U.S. president to know Southeast Asia intimately. He is thus in a position to improve U.S. relations with the Southeast Asian region, a much needed change after the U.S.-ASEAN relationship was strained under the George W. Bush Administration.

The aim of Chapter II is to show that President Barack Obama stands to make significant changes in U.S. foreign policy towards Southeast Asia for the betterment of the relationship, in large part due to his special background. The scope of this chapter is from 1961, when Obama was born, to 2008, when he was elected as President of the United States, while the organization is in four core sections. Section I will discuss his family, educational background, links to Southeast Asia, and early career. Section II will trace his career, both as a Senator in the Illinois State Legislature and as a Senator from Illinois in the U.S. Congress, and also his presidential aspirations. Section III will then examine his vision as a presidential candidate and his victory in the 2008 presidential election. Section IV will conclude by reviewing the course of Barack Obama’s life and how his unique experiences and the influences in his early childhood, adolescence, and adulthood have prepared him to assume the presidency and to improve U.S.-ASEAN relations.

Section I: Obama’s Family, Education, and Early Career

Barack Hussein Obama was born on August 4, 1961, in Honolulu, Hawaii, to Stanley Ann Dunham and Barack Obama, Sr. Obama’s mother— who went by the name Ann— grew up in Wichita, Kansas, where her father, Stanley Dunham, worked on oil rigs through the years of the
Great Depression. After the Japanese attack on Pearl Harbor, Ann Dunham’s father enlisted in the U.S. Army and marched across Europe under General Patton’s command, while her mother, Madelyn Dunham, went to work on a bomber assembly line.¹ When the war ended, the couple attended college under the G.I. Bill, bought a house through the Federal Housing Program and, after several moves, settled in Hawaii.² Obama's father was born in Nyanza Province, Kenya, and was of Luo ethnicity. The elder Obama grew up herding goats in Africa but eventually earned a scholarship that allowed him to leave Kenya to pursue his dreams of a college education in Hawaii.³ While he was studying at the University of Hawaii in Manoa, he met Ann Dunham. They married in Hawaii on February 2, 1961, and Obama was born six months later.⁴

In September 1962, Obama's parents separated when he was two years old after his father went on to Harvard University to pursue a Ph.D. degree in economics. In January 1964 his mother filed for divorce, which Obama, Sr. did not contest. Meanwhile at Harvard, Obama, Sr. finished his graduate studies with a M.A. in economics in 1965.⁵ That same year, he returned to Kenya upon the completion of this degree. In 1966, Dunham married Lolo Soetoro, a student from Indonesia, whom she met at the University of Hawaii and they moved to Jakarta, Indonesia, the following year. There, Obama's half-Indonesian sister Maya Soetoro was born on August 15, 1970.⁶

² Ibid.
³ Ibid.
⁴ Ibid.
In the meantime, prior to Obama's arrival in Indonesia, there had been civil violence against the radical government of Sukarno, who had developed close ties with the Soviet Union and with the People’s Republic of China. The military, led by Major General Suharto, overthrew Sukarno in 1965, paving the way for the end of Indonesia's confrontational policy against Malaysia and for the formation of ASEAN on August 8, 1967. Indonesia, Malaysia, Singapore, Thailand, and the Philippines signed the Bangkok Declaration to form this Southeast Asian regional organization.  

Obama arrived in Indonesia two years after Sukarno’s downfall and he spent a total of four years of his childhood there, from 1967 to 1971. He first attended Besuki, a mainly Muslim school, for less than a year and then attended Santo Fransiskus Asisi, a Roman Catholic school, for over three years. While attending Asisi, he used the last name of his Indonesian stepfather; he was registered as –Barry Soetoro.”

His first grade teacher at Asisi, Isrella Pareira Darmawan, made the following comments about Obama:

He would be very helpful with his friends. He’d pick them up if they fell down. He would protect the smaller ones….and in an essay about what he wanted to be when he grew up, he said he wanted to be president. He didn't say what country he wanted to be president of but that he wanted to make everybody happy.

During his time in Indonesia, Obama learned about the country’s culture and traditions. He also ate tofu and tempeh like all the other kids, played soccer, picked guavas from the trees, and made new friends. Moreover, he learned to speak the Indonesian language while his mother spoke several foreign languages: Indonesian, French and Urdu.

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Barack Obama’s boyhood experiences in Indonesia remained with him even after he left Indonesia. For example, he said in December 1995:

The poverty, the corruption, the constant scramble for security remained all around me and bred a relentless skepticism. My mother’s confidence in needlepoint virtues depended on a faith I didn’t possess. In a land where fatalism remained a necessary tool for enduring hardship… she was a lonely witness for secular humanism, a soldier for the New Deal, Peace Corps, position-paper liberalism.\(^{11}\)

His stay in Indonesia had a profound effect on him and gave him an intimate connection to Indonesia and Southeast Asia. More important, his time spent there left a lasting impression on him; as a presidential candidate, he would later reflect on his years in Indonesia when crafting his foreign policy towards Southeast Asia.

While Obama was in Indonesia, his mother learned of the circumstances surrounding the military coup in 1965 and became afraid for her son’s safety. So, in 1971, when Obama was ten years old, she sent him back to Hawaii to live with his maternal grandparents.\(^{12}\) In December that year, Obama met his father for the first time when Barack Obama, Sr. made a trip to Hawaii to visit him.\(^{13}\) That meeting would be the first and the last time that he would see his father. While living with his grandparents in Hawaii, a highly cosmopolitan state, he enrolled in the esteemed Punahou Academy. At the academy, he excelled in basketball and graduated with academic honors in 1979. As one of only three black students at the school, Obama became conscious of


racism and what it meant to be African-American.\textsuperscript{14} He later described how he struggled to reconcile his social perceptions of his multiracial heritage with his own sense of self. --began to notice there was nobody like me in the Sears, Roebuck Christmas catalog...and that Santa was a white man,” he said. —I went to the bathroom and stood in front of the mirror with all my senses and limbs seemingly intact, looking the way I had always looked, and wondered if something was wrong with me.”\textsuperscript{15} He struggled with his identify as a bi-racial young man but he was able to overcome it and would later on embrace his diversity in his adulthood. Furthermore, his diversity would help mold him into a charismatic leader easily able to identify with various races and cultures.

After sending her son back to Hawaii, Ann Dunham remained in Indonesia. While there, she began a career in rural development, championing women’s work and microcredit for the world’s poor and working with leaders from organizations that supported Indonesian human rights, women’s rights, and grass-roots development.\textsuperscript{16} In March 1977, under the supervision of agricultural economics professor Leon A. Mears, Dunham developed and taught a short lecture course at the Faculty of Economics of the University of Indonesia (FEUI) in Jakarta for staff members of BAPPENAS (Badan Perencanaan Pembangunan National)—the Indonesian National Development Planning Agency.\textsuperscript{17} Then, from June 1977 through September 1978, for her Master’s degree in anthropology at the University of Hawaii, Dunham carried out research on village industries in the Daerah Istimewa Yogyakarta (DIY)—the Yogyakarta Special Region


\textsuperscript{15} Ibid.


within Central Java under a student grant from the East-West Center.\textsuperscript{18} After that, in May and June 1978, she served a short-term as a consultant in the office of the International Labor Organization (ILO) in Jakarta, writing recommendations on village industries and other non-agricultural enterprises for the Indonesian’s Third Five-Year Plan.\textsuperscript{19}

In the meantime, during Obama’s schooldays back in Hawaii, the U.S.-ASEAN relationship progressed. For example, the two sides formally established a Dialogue Partnership on September 8, 1977; this partnership allowed them to exchange views on political and security matters.\textsuperscript{20} A year later, on December 25, 1978, the relationship would further expand when Vietnam invaded Kampuchea, starting the Third Indochina War, and the U.S. and ASEAN collaborated on responding to this crisis. Since America was still then preoccupied with the consequences from the Vietnam War, it looked to ASEAN to take the leading diplomatic role against Vietnam, preferring instead a low profile.\textsuperscript{21} This diplomatic role by ASEAN strengthened U.S.-ASEAN relations.

After high school, Obama entered college with the help of scholarships and student loans.\textsuperscript{22} Obama first studied at Occidental College in Los Angeles for two years. He then transferred to Columbia University in New York City in 1983, where he graduated with a degree in political science. He remained in New York City and worked for a year at the Business

\textsuperscript{18} Ibid., 299-301.

\textsuperscript{19} Ibid., 211-219 & 299-301.


International Corporation and New York Public Interest Research Group (NYPIRG). In 1985, Obama moved to Chicago where he worked on the South Side as a community organizer for low-income residents in the Roseland and the Altgeld Gardens communities. Meanwhile, his memories of Indonesia stayed with him. For example, in a revealing passage in his book, *Dreams From My Father*, he compared the economically depressed areas of Chicago with poor areas in Jakarta. A glimpse of a Korean woman sewing by hand with a sleeping child beside her in a clothing store near Altgeld Gardens in Chicago transported Obama back to the markets in Jakarta. He reflected, “Despite the rampant poverty in Indonesia, the lives of the vendors in Jakarta had at least some semblance of coherence and order that was sorely lacking in the Chicago ghetto.” His witnessing of the poverty in the African American community in Chicago, which he connected to his recollections of the poverty in Indonesia, inspired him to help the poor.

In the 1980s, as Obama went to college, graduated, and embarked on his early career path, his mother’s personal life changed when she divorced Lolo Soetoro on November 5, 1980. However, her professional life continued as she helped to build microfinance programs in Indonesia. From January 1981 to November 1984, Dunham was the program officer for women and employment in the Ford Foundation’s Southeast Asia regional office in Jakarta. While at the Ford Foundation, she developed a model of microfinance which is now the standard in Indonesia.

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25 Pedersen, *Obama’s America*, 120.

a country that is a world leader in micro-credit systems. Then, for a brief time she was a microfinance consultant in Pakistan. From May to November 1986 and from August to November 1987, Dunham worked as a cottage industries development consultant for the Agricultural Development Bank of Pakistan (ADBP) under the Gujranwala Integrated Rural Development Project (GADP). Nevertheless, in 1988, she returned to Jakarta to work in the country’s oldest bank, Bank Rakyat Indonesia (BRI), in its microfinance program.

For the meantime, in the United States while working as a community activist in Chicago, Obama had the opportunity to make a trip to Africa to visit relatives in Kenya. This trip included an emotional visit to the graves of his father and paternal grandfather. As he revealed in his biography: “For a long time I sat between the two graves and wept. I saw that my life in America—the black life, the white life, the sense of abandonment I felt as a boy, the frustration and hope I’d witnessed in Chicago—all of it was connected with this small plot of earth an ocean away.” Obama returned to Chicago from Kenya with a sense of renewal. He then entered Harvard Law School in 1988. The next year, he met Michelle Robinson, an associate at the Sidley & Austin law firm in Chicago, when she was assigned to be his adviser during a summer internship at the firm. The couple soon began dating and then got married in 1992. In the intervening time, in February 1990, Obama was elected as the first African-American editor of the

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28 Dunham, Dewey, and Cooper, Surviving Against the Odds, 211-219 & 299-301.

29 Ibid., 211-219 & 299-301.


Harvard Law Review, the prestigious law journal. In 1991, he graduated magna cum laude from Harvard.\(^{32}\)

After law school, Obama returned to Chicago to practice as a civil rights lawyer, joining the firm of Davis, Miner, Barnhill and Galland while teaching Constitutional Law at the University of Chicago Law School.\(^{33}\) During Bill Clinton’s 1992 presidential campaign, from April to October 1992, Obama helped organize Project Vote, the largest voter registration drive in Chicago’s history.\(^{34}\) In 1995, Obama published his autobiography *Dreams From My Father: A Story of Race and Inheritance*. He claims his autobiography is based on his attempt to write an honest account of some experiences in his life.\(^{35}\) In the book he says, “I know, I have seen, the desperation and disorder of the powerless: how it twists the lives of children on the streets of Jakarta or Nairobi in much the same way it does the lives of children on Chicago’s South Side.”\(^{36}\)

His ability to identify with several countries enables him to bridge various cultures, aiding him in his efforts to restore and advance U.S.-ASEAN relations.

During this time, his mother pursued Ph.D. studies in anthropology at the University of Hawaii. While working on her dissertation, she continued in her research and consultant position at the Bank Rakyat Indonesia (BRI) in Jakarta, working to set up a village credit program.\(^{37}\) While working, she wrote her doctoral dissertation, entitled *Peasant Blacksmithing in Indonesia: Surviving Against All Odds,*” which was a study of the resilience of Indonesia village industries in

\(^{32}\) Ibid.

\(^{33}\) Ibid.

\(^{34}\) Ibid.


\(^{36}\) Ibid., xvii.

\(^{37}\) Pedersen, *Obama’s America*, 118.
the face of encroaching urbanization. In 1992, Dunham graduated with a Ph.D. in anthropology from the University of Hawaii. In March 1993, she returned to the United States when she accepted a job in New York with the Women’s World Bank, an international network of microfinance providers. Afterwards, she then went back to Indonesia to work at the Bank Rakyat Indonesia (BRI) in Jakarta. Soon after, in late 1994, she developed health issues and decided to return to the United States.

In early 1995, at the age of 52, Dunham was diagnosed with ovarian cancer. She soon lost her battle against ovarian cancer as she passed away on November 7, 1995 in Honolulu, Hawaii. Obama was deeply troubled by his mother’s death, especially by the worry she faced in her last days. He recalls:

She had been diagnosed just as she was transitioning between jobs. And she wasn’t sure whether insurance was going to cover the medical expenses because they might consider this a preexisting condition. I remember just being heartbroken, seeing her struggle through the paperwork and the medical bills and the insurance forms. So, I have seen what it’s like when somebody you love is suffering because of a broken health care system.

His mother had a profound influence on him because he often refers to her as the dominant figure in his formative years. Moreover, in his memoir, Dreams From My Father, he says, —I know that she was the kindest, most generous spirit I have ever known, and that what is best in me I owe to her.” His mother’s influence molded him as a public figure in that she equipped him with values

38 Ibid.

39 Ibid.


41 Ibid.
that he can use to improve U.S.-ASEAN ties, values such as an open mind and respect for different cultures.

Throughout Obama's college years and his early career, U.S.-ASEAN ties continued to improve. For instance, in 1984, the United States and ASEAN established the U.S.-ASEAN Business Council, which "allows both sides opportunities to exchange views on business matters and discover ways to promote trade and investment in Southeast Asia." In 1991, the relationship strengthened when ASEAN assisted the United Nations (UN) Security Council's permanent members in crafting a Peace Agreement to end the Cambodian conflict. In 1994, the U.S. finally lifted its trade embargo on Vietnam while in 1995 it formally normalized relations with the country.

Section II: Obama's Career as a Senator in the Illinois State Legislature and in the U.S. Congress, and His Presidential Aspirations

In 1996, Obama's advocacy work inspired him to run for the Illinois State Senate as a Democratic candidate. In the November 5 general election, Obama was elected state Senator for the 13th District, winning 82% of the vote. One rival David Whitehead, of the Harold Washington Party, received 13% of the vote, while another rival, Rosette Caldwell Peyton, a first-time Republican Party candidate, received 5% of the vote. Obama was then sworn in on January 8, 1997, for a two-year term as state Senator for the 13th District.

While Obama was serving as a freshman state Senator, the U.S-ASEAN relationship began facing difficulties due to the 1997 Asian Financial Crisis. President Bill Clinton was then in


43 Robert J. McMahon, The Limits of Empire: The United States and Southeast Asia Since World War II (New York: Columbia University Press, 1999), 207.

his second term when the crisis gripped much of Southeast Asia. The crisis was so severe that it raised fears of a worldwide economic meltdown. In Southeast Asia, Indonesia and Thailand were the two countries most affected by the crisis. When the Clinton Administration failed to "offer any bilateral bailouts" to Indonesia and Thailand, this disappointed the ASEAN community.

While U.S.-ASEAN relations were undergoing tensions, Obama was in the Illinois State legislature toiling vigorously and working with both Democrats and Republicans in drafting legislation to expand health care services and early childhood education programs for the poor. He also created a state earned-income tax credit for the working poor. In 2000, Obama made an unsuccessful Democratic primary run for the U. S. House of Representatives seat held by four-term incumbent candidate Bobby Rush. Undeterred, Obama created a campaign committee in 2002 and began raising funds to run in the 2004 U.S. Senate Race. With the help of political consultant David Axelrod, Obama began assessing his prospects of a Senate win.

In the interim, the United States had suffered the September 11, 2001 terrorists’ attacks, one of the most horrific tragedies in America’s history. ASEAN leaders were sympathetic to the U.S. plight and displayed various levels of support for America’s fight against the war on terror. However, the U.S. invasions of Afghanistan and Iraq in 2002 and 2003, respectively, would damage diplomatic relations and alter the attitudes of the Southeast Asians towards America. By proceeding without U.N. approval, American actions undercut the norms of sovereignty, territoriality, and non-interference that were seen by Southeast Asian states as fundamental to


48 Ibid.
legitimacy. Also, by labeling the Southeast Asian region as a "second front" in the war on terrorism, the U.S. fostered the impression, among some ASEAN states, that it had mounted a campaign against Islam. All these actions angered the moderate Muslim populations of key Southeast Asian states, such as Indonesia and Malaysia. The overall impact of America’s wars on Afghanistan and Iraq and America’s deeming Southeast Asia as a second front led to a sense of alienation by some Southeast Asian leaders.

At the start of the Afghanistan War, Obama sympathized with the Bush Administration and its invasion of the country. In *The Audacity of Hope*, he recounts, "it was a good start by the administration, I thought—steady, measured, and accomplished with minimal casualties." But his stance on Afghanistan soon changed because he became disappointed with Bush’s policies for fighting this war. For instance, he went on to say, "along with the rest of the world, I waited with anticipation for what I assumed would follow: the enunciation of a U.S. foreign policy for the twenty-first century…This blueprint never arrived. Instead what we got was an assortment of outdated policies from eras gone by."

As for America’s war against Iraq, Obama was an early opponent of that war. In particular, he spoke against a resolution authorizing the use of force against Iraq during a rally at Chicago’s Federal Plaza in October 2002. In that speech he stated, "What I could not support was ‘dumb wars, a rash war, a war based not on reason but on passion, not on principle but on politics.’" He went on to say, "What I am opposed to are …weakened warriors in this


50 Ibid.


52 Ibid., 292-293.

53 Ibid., 294.
administration that shove their own ideological agendas down our throats, irrespective of the costs in lives lost and in hardships borne." Obama’s speech against the Iraq War was well received; activists began circulating the text on the Internet, and he established a reputation for speaking his mind on hard issues. Despite his protests, the war with Iraq began on March 20, 2003. Obama’s political stand against the Iraq War in 2003 is significant in that to the ASEAN states he was not directly linked to the Bush Administration’s invasion of Iraq.

During this time, Obama was active in Illinois politics. In January 2003, he became Chairman of the Illinois Senate’s Health and Human Services Committee. As Chairman, he worked on criminal justice reform through which a number of inmates on death row were found innocent of their crimes through DNA evidence. He also worked with law enforcement officials to require the videotaping of interrogations and confessions in all capital cases. In between his duties, he took the time to attend his half-sister, Maya Soetoro’s, wedding in late 2003. She married Konrad Ng, a Canadian whose parents are originally from Sabah, Malaysia. Through this marriage, Obama gained personal ties to Malaysia in addition to his connections to Indonesia thereby giving him an added connection to the Southeast Asian region.

By early 2004, encouraged by poll numbers, Obama decided to run for the U.S. Senate open seat vacated by Republican Peter Fitzgerald. Shortly after, as a Senator from Illinois, Obama was invited to deliver the keynote address in support of John Kerry at the July 2004 Democratic National Convention in Boston. In his speech, Obama began by painting a picture of his diverse background. In particular, he drew upon his own personal experiences, which has given him


55 Obama, The Audacity of Hope: Thoughts on Reclaiming the American Dream, 295.


57 Ibid.
compassion and an understanding of a multiplicity of cultures, to find common ground and to inspire the people in attendance. He also emphasized the importance of unity, and made indirect comments about the Bush Administration’s policies. At that time, Barack Obama was not a household name and few knew him outside of the state of Illinois. However, this rare opportunity catapulted him into fame. During the Democratic primary that November, Obama won 52 percent of the vote, defeating multimillionaire businessman Blair Hull and Illinois Comptroller Daniel Hynes. Obama attributed his win to the reputation he gained from the speech he gave in 2002 against the Iraq War. He stated, “The reputation I gained from my speech against the Iraq war— is a reputation that carried me through a tough Democratic primary.” On January 4, 2005, Obama was sworn into office as a U.S. Senator from Illinois.

In 2005, Obama’s freshman year in the U.S. Congress, Southeast Asian elites began to voice their concern that the United States lacked a strong commitment to ASEAN and to the whole Southeast Asia region. As evidence, some Southeast Asian leaders pointed to then Secretary of State Condoleezza Rice’s non-attendance at the meeting of the ASEAN Regional Forum (ARF) that year. Her absence marginalized the regional organization. She then attended the ARF meeting in 2006 but skipped the 2007 meeting, causing more criticism.

Meanwhile as a U.S. Senator, Obama partnered with Republican Senator Richard Lugar of Indiana on a bill that expanded efforts to destroy weapons of mass destruction in Eastern Europe and Russia. Then, with Republican Senator Tom Corburn of Oklahoma, he created a

58 Ibid.
59 Ibid.
60 Obama, The Audacity of Hope: Thoughts on Reclaiming the American Dream, 295.
61 Congressional Research Service, “The United States Relations with the Association of Southeast Asian Nations (ASEAN),” (November 16, 2009), 2.
website that tracks all federal spending. Obama also spoke out for victims of Hurricane Katrina, pushed for alternative energy development, and championed improved veterans’ benefits.\textsuperscript{63}

Moreover, he often served as a mediator between the two parties, bridging them on difficult issues, a trait that would be beneficial in improving U.S.-ASEAN relations.

Obama’s many accomplishments as a junior senator and his rising popularity left many wondering if he would run for President of the United States in 2008. Many thought he would run for president when his second book, \textit{The Audacity of Hope: Thoughts on Reclaiming the American Dream}, was published in October 2006, for in it he discussed his vision for the future of America. Aspects of this vision became talking points for his eventual presidential campaign.\textsuperscript{64} However, it was not until February 2007, on the steps of the Old State Capital Building, in Springfield, Illinois, that Obama formally announced his candidacy to thousands of supporters.\textsuperscript{65} At the time he announced his candidacy, U.S. ties with ASEAN were adversely affected as President Bush had decided to cancel the scheduled U.S.-ASEAN Summit in September 2007 to focus on the security situation in Iraq.\textsuperscript{66}

Section III: Obama’s Presidential Campaign and His Election

Shortly after Obama announced his candidacy for the 2008 Democratic presidential nomination, he had the opportunity to discuss his vision of U.S. foreign policy towards Asia, including Southeast Asia, in an article in the July/August 2007 issue of \textit{Foreign Affairs}. In his article —\textit{Re Newing American Leadership},” he advocated his belief in America’s need to rebuild its partnerships. Specifically, he stated, —Intend to rebuild the alliances, partnerships and institutions

\textsuperscript{63} Ibid.

\textsuperscript{64} Ibid.

\textsuperscript{65} Price, \textit{Barack Obama: The Voice of an American Leader}, 73.

\textsuperscript{66} Congressional Research Service, “The United States Relations with the Association of Southeast Asian Nations (ASEAN),” (November 16, 2009), 2.
necessary to confront common threats and enhance common security... reform will come when we convince other governments and peoples, that they, too, have a stake in effective partnerships.” In terms of his implicit plans for Asia, he stated:

I will work to forge a more effective framework in Asia that goes beyond bilateral agreements, occasional summits, and ad hoc arrangements... We need an inclusive infrastructure with countries in East Asia that can promote stability and prosperity and help confront transnational threats, from terrorists cells in the Philippines to avian flu in Indonesia.

In calling for an American renewal in leadership, Obama was able to introduce his plan of re-engagement with the Southeast Asian region. He said: “we need to demonstrate unequivocally to Asians that our presence in the region is enduring, that our economic, political, and security interests demand it, and that we will re-engage with, and listen to, our Asian friends after years of giving the region short shrift.” This is important because it not only recognizes the past shortcomings in U.S.-ASEAN relations but it demonstrates to the region that he wants to genuinely restore the relationship.

To renew American leadership in the world, Obama said that he would, as president, invest in common humanity and in global engagement. His strategy to renew American leadership in international relations is one of engagement. As McGrit notes in her article, entitled “The Brand Called Obama,” as quoted in Price, his strategy includes him engaging:

countries that have been viewed as America’s enemies... it is not one that all geopolitical experts agree with, but it is consistent with his criticism at home as what he terms ‘a politics that says it’s okay to demonize your

68 Ibid., 12.
To Price, “Obama’s candidacy and his call for change may already be resonating in countries that have lamented U.S. policy but still want to believe in the promise of American leadership.”

Since this possibility exists, Obama’s desire to engage the world, including the re-engagement of Southeast Asia, all can take place under his leadership.

In the 2008 Democratic Primary, Obama’s views on foreign policy and his inexperience became reoccurring themes used by his opponents. He soon became locked in a tight battle with Hillary Rodham Clinton, former first lady and then U.S. Senator from New York. Despite his lack of experience, on June 3, 2008, Obama’s ingenuity and compassion prevailed, allowing him to become the presumptive nominee for the Democratic Party. Senator Clinton then gave her full support to him for the duration of his campaign.

During the presidential campaign, Obama was deemed “less than American” by John McCain. He was forced to counter characterizations that he was “in essence a stranger, a sojourner with no fixed identity from the exotic state of Hawaii.” However, his multicultural background makes him easily acceptable by most people and serves as a reflection of the social, cultural, and demographic change that is transforming the U.S. In reality, he is a figure who represents what it means to be American in the 21st century.

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70 Price, Barack Obama: The Voice of an American Leader, 120.

71 Ibid.


73 Pedersen, Obama’s America, 14.

74 Ibid., 15.
But on November 4th, 2008, Barack Obama defeated Republican presidential nominee John McCain for the position of U.S. President. He won 52.9 percent of the votes compared to McCain’s 45.7 percent.\(^5\) Shortly after the election, as a counterpoint to the rumors that he was Muslim, Obama announced that he would use his full name—Barack Hussein Obama—at his inauguration. The inclusion of his middle name, Hussein being an Arabic name, seen in the context of how it was used to link him to Islam, instead sent a signal of outreach and reconciliation to Muslims within the U.S. and around the world.\(^6\) That Obama has a multicultural heritage and a Muslim name are some of the very aspects that push him to lead America into having more inclusive relationships with various cultures within and outside the United States.

In terms of his overseas and foreign policy experiences and his work on the Senate Foreign Relations Committee, he has understanding of various cultures and the political know-how to improve America’s relations with ASEAN. According to Susan E. Rice, a former assistant Secretary of State for African Affairs and presently U.S. Ambassador to the UN, Obama’s experiences speak for themselves and can—provide a different kind of insight than the traditional resume.” To her:

> At a time when our foreign policy and national security have so obviously suffered from a simplistic, black-and-white interpretation, an American presidential candidate who spent part of his formative years and young adulthood living in a poor country under a dictatorship [Indonesia] brings an understanding of the complexity of things that others may not have.\(^7\)

Obama’s nontraditional resume can be attributed to his mother, Ann Dunham, who provided him with exposure to the world. During his formative years, —his orientation was for the most part


\(^6\) Pedersen, Obama’s America, 22.

\(^7\) Price, Barack Obama: The Voice of an American Leader, 121.
directed towards countries and regions that lay outside the East-West axis.\textsuperscript{78} So, his understanding of the world has very much been shaped by his mother's private life, especially her decision, to marry in quick succession two foreign students in the United States—first a Kenyan and then an Indonesian. She was as an American from the heartland of the United States who spent most of her short life outside the U.S. Her deep knowledge of foreign cultures was admired and embraced by her son.

Section IV: Conclusion

In conclusion, Barack Obama's distinctive background has positioned him to re-engage the Southeast Asian region. His diverse family has given him an appreciation of his heritage that has transformed him into an empathetic, charismatic and compassionate man. The fact that he has a Caucasian mother, an African father, a half-Indonesian sister, and a host of half-African siblings, makes his family an American one with diverse origins. Because his mother Ann Dunham exposed him to the world, Obama has life experiences that allow him to relate to both Americans and individuals abroad. His time spent in Indonesia afforded him the opportunity to learn a new culture and to later on draw comparisons between it and life in South Side Chicago. Maturing as a young bi-racial man in Hawaii with his Caucasian grandparents, he began to question his identity but was able to resolve this when he acknowledged that his diverse upbringing is what it means to be American in the 21\textsuperscript{st} century. After witnessing poverty in Indonesia, he was inspired to become a community organizer in Chicago to help the poor. Shortly after becoming a community organizer, he became a Senator in the Illinois State Legislature. In this position, he served as a mediator between party lines, a trait he would carry on as a U.S. Senator, as a presidential candidate, and as president. As a Senator in the state of Illinois, he initially supported but eventually grew skeptical of the Bush Administration’s invasion into Afghanistan and became an early opponent of the Iraq War. As a presidential candidate, despite criticisms that he lacked

\textsuperscript{78} Pedersen, \textit{Obama's America}, 123.
experience in foreign policy, he called for America to renew its leadership, including re-engagement with Southeast Asia. This call for re-engagement shows his aspiration to improve U.S-ASEAN’s relations, which he could now embark upon as President of the United States. As the next chapter will show, President Obama’s campaign promises are not mere lip service but are genuine attempts to improve America’s relations with the region.
CHAPTER III
U.S.-ASEAN RELATIONS IN 2009, OBAMA’S FIRST YEAR AS PRESIDENT

After limited relations throughout George W. Bush’s two terms, the U.S.-ASEAN relationship was in need of better ties. Not surprisingly, prior to assuming the Presidency, Barack Obama recognized the major criticisms made by some Southeast Asian leaders in regards to the Bush Administration’s inattention towards the region. Obama thus campaigned on the notion that it is in America’s best interest to engage the world. Furthermore, in his campaign he introduced his ideas of a renewal in American leadership, which would include better relations with the Southeast Asian region. As President, he has sought to fulfill these promises. Specifically, his administration has aimed at restoring and improving the relationship with ASEAN by re-engaging the region comprehensively on the political-security, trade, and socio-cultural levels.

The aim of Chapter III is to trace the Obama Administration’s re-engagement policy with ASEAN. Its scope is a period of twelve months marking Obama’s first year as president while the organization is in six sections under a mainly chronological order. Section I, the Introduction, stresses Obama’s need for a new policy of re-engagement with Southeast Asia. Section II focuses on closer the political-security ties and discusses President Obama’s Cairo speech and his overtures to the Muslim populations around the world, including those in Southeast Asia, U.S. ratification of ASEAN’s Treaty of Amity and Cooperation (TAC), U.S. attendance at the ASEAN Regional Forum (ARF), and Obama’s hosting of the historic 1st U.S.-ASEAN Summit in Singapore. Section III, on trade aspects of the U.S.-ASEAN relationship, deals with their exports, imports, investments and their collaboration in APEC. Section IV reviews U.S.-ASEAN socio-cultural ties, including U.S.-ASEAN educational exchanges. Section V, the Conclusion, points out that all these efforts by the Obama Administration have improved U.S.-ASEAN relations and enhanced their relationship.
Section I: Introduction

On January 20, 2009, Barack Obama became the 44th president of the United States—and the first African-American to hold this office. He assumed the presidency in very challenging times. He inherited a global economic recession; two on-going foreign wars; and the lowest international favorability rating ever for the United States. He had campaigned on an ambitious agenda of foreign policy, financial reform, alternative energy, and reinventing education and health care, and bringing down the national debt.\(^1\) Because all these issues are intertwined with the economic well-being of the nation, he believed that all would have to be undertaken simultaneously.\(^2\) During his inauguration speech, Obama summarized the situation by saying, “Today, I say to you that the challenges we face are real. They are serious and they are many. They will not be met easily or in a short span of time. But know this, America: They will be met.”\(^3\)

In his efforts to overcome these challenges, he created an ambitious plan that included a re-engagement policy with ASEAN, a policy beneficial to both parties. Meanwhile, Southeast Asian leaders welcomed Obama’s election as president and expressed their confidence that under him their relationship with America would improve.\(^4\) Even as a Presidential candidate, Barack Obama recognized that the U.S. needed to strengthen its alliances and partnerships in Southeast Asia. To do so, it would need to engage more broadly in the regional trend toward multilateralism in order to build confidence, maintain regional stability and security, restore


\(^2\) Ibid.

\(^3\) Ibid.

international prestige, and promote trade and good governance in this crucial region. As president, Obama and his administration began enacting concrete steps to strengthen America’s relationship with ASEAN to better national security, trade, and socio-cultural ties with the Southeast Asian region.

Section II: U.S.-ASEAN Political-Security Ties

Overtures to the Southeast Asian Muslim Populations and President Obama’s Cairo Speech

After having grown up in Indonesia, President Obama has become personally aware of the central role of Islam in Southeast Asian affairs. In his book *The Audacity of Hope*, he expressed his realization that Indonesia has undergone an extraordinary metamorphosis over the past decade, maintaining a religiously tolerant orientation while accommodating increased religiosity in its many diverse societies. Although the overall nature of Islam is that of a peaceful religious institution, Indonesia has experienced radical manifestations of Islam, including the bombing attacks on Bali in 2002 and 2005 and on Jakarta in 2003 and 2004. There have also been the arrests of key international terrorists linked to al-Qaeda, to the militant Southeast Asian organization Jemmah Islamiyah based in Indonesia; and to the Abu Sayyaf, an Islamic group in the Philippines. Nevertheless, Islam has served as an essential component of the region’s on-

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8 Ibid.
going political and economic development.” President Obama recognized the importance of the Islamic world and the need by the United States to repair relations with the Muslim populations, including those in Southeast Asia. Upon assuming the Presidency; Obama’s first groundbreaking overture to the Muslim world was his announcement that he would use his full name- Barack Hussein Obama- at his inauguration. The inclusion of his middle name, an Arabic name, can be viewed as his own personal attempt to send signals of outreach and reconciliation with Muslims within the U.S. and around the globe.

In the Obama Administration’s efforts to reconcile with the Southeast Asian Muslim population, it began with two key initiatives. One initiative was a change in U.S. foreign policy towards Southeast Asia. President Obama sought to make his presidential campaign promises of engaging the world, including with the Southeast Asian region, a reality. For example, on Thursday, January 22, 2009, President Obama signed an executive order to close the Guantanamo Bay facility in Cuba that houses Muslim prisoners, including some from Southeast Asia. Promising to “return America to the moral high ground” in the war on terrorism, President Obama issued this executive order to demonstrate a clean break from the Bush Administration.

Although he planned for the Guantanamo Bay detention facility to be closed within a year, he has, however, not yet been able to do so. The second initiative was when President Obama sent Secretary of State Hillary Rodham Clinton to Indonesia on her first official trip abroad. While in

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Indonesia, she noted the transformation that had taken place since the 1998 ouster of Suharto, who had been in power when President Obama spent part of his boyhood in Indonesia. Clinton complimented her hosts by stating, “If you want to know if Islam, democracy, modernity, and women’s rights can coexist, go to Indonesia.” This was a clear indication that Indonesia is likely to play a significant role in U.S.-ASEAN policy. Secretary Clinton’s visit to Indonesia was very important for two reasons. First, it demonstrated the Obama Administration’s seriousness about improving relations with Southeast Asia and with its Muslim population. Second, it showed his administration’s interest in forming a better relationship with Indonesia.

Also very important in 2009 was President Obama’s memorable address to Muslim nations at Cairo University on June 4, in Cairo, Egypt. This speech is one of the Obama Administration’s most concrete steps in re-engaging Southeast Asia as he calls for reconciliation with the Muslim world. In his speech he stated:

> I have come here to seek a new beginning between the United States and Muslims around the world; one based upon mutual interest and mutual respect; and one based upon the truth that America and Islam are not exclusive, and need not be in competition. Instead, they overlap, and share common principles—principles of justice and progress; tolerance and the dignity of all human beings.”

This statement is very significant to the U.S.-ASEAN relationship because President Obama openly acknowledges that U.S. relations have been strained with the Islamic countries and that he, as President, wants better ties between Americans and Muslims. Unlike his predecessors in office, President Obama was able to personally draw upon his experiences of living in the world’s most

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13 Ibid., 145-146.

heavily Muslim populated country, Indonesia. He avowed, —I saw firsthand as a child in Indonesia, where devout Christians worshipped freely in an overwhelmingly Muslim country. That is the spirit we need today.” As a child, he was able to witness the coexistence of different religions. In 2009, at a time of high tensions between Islam and Christianity, this idea of coexistence needed to be stressed among Americans and Muslims within the United States and around the world.

Not surprisingly, President Obama’s Cairo speech was well received. For example, Sheldon Simon, a noted political scientist on Southeast Asia, said that Southeast Asian media and elites were impressed by President Obama’s remarkable Cairo address and had praised him for opening a new dialogue with the Muslim world and for acknowledging U.S. transgressions. Moreover, the head of Indonesia’s Council of Ulemas, Admidhan, praised President Obama’s sincerity in trying to find a solution to the conflict in the Middle East while Din Syamsuddin, the leader of Muhammadiyah, Indonesia’s second largest Muslim organization, expressed his appreciation for the commitment made by President Obama to build bridges between the West and Islam.

There were other favorable Indonesian comments on Obama’s Cairo speech that noted his reference to Indonesia as the nation with the world’s largest Muslim population that promotes religious tolerance and gender equality. The Jakarta Kompas newspaper, Indonesia’s largest, said on June 5, 2009 that President Obama was constructing a U.S. image that will erase his

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15 Ibid.
17 Ibid.
18 Ibid.
predecessor’s unilateral and bellicose orientation to the world and replace it with a multilateral and cooperative approach.\(^\text{19}\)

Nonetheless, some Muslim clerics in Indonesia, while welcoming President Obama’s overtures to Islam pointed out that his rhetoric needed to be followed by concrete actions, through the implementation of policies.\(^\text{20}\) To signify change, President Obama announced his vision for a —new beginning.” This vision was a U.S.-Indonesia Comprehensive Partnership, which he announced in 2009. Overall, President Obama’s Cairo address and his overtures to Muslims are signs that the U.S. is executing its re-engagement policy and improving U.S.-ASEAN relations, especially with Indonesia.

Signing of the Treaty of Amity and Cooperation (TAC)

ASEAN’s Treaty of Amity and Cooperation (TAC), originally conceived in 1976 as a —legally binding code of friendly inter-State conduct among Southeast Asian countries,” was amended in 1987 to open it for accession by countries outside of Southeast Asia.\(^\text{21}\) The TAC is designed to promote —perpetual peace, everlasting amity and cooperation” within Southeast Asia. Towards this end, it provides a mechanism for the pacific settlement of regional disputes between TAC parties.\(^\text{22}\) Within ASEAN, —accession to the TAC by non-members is often seen as a symbol of commitment to engagement in Southeast Asia.”\(^\text{23}\) When Barack Obama became president, the United States was the only major Pacific power not to have acceded to the TAC. This led some

\(^{19}\) Ibid.

\(^{20}\) Ibid.


\(^{22}\) Ibid.

\(^{23}\) Ibid.
Southeast Asian leaders to claim that the United States had neglected Southeast Asia generally and ASEAN specifically.\textsuperscript{24}

Therefore, the Obama Administration soon announced that it would accede to the TAC, to send a signal that the United States wanted to upgrade its presence in the region. Accordingly, in February 2009, during her visit to the ASEAN Secretariat in Jakarta, Secretary of State Clinton announced that the administration would pursue accession to the Treaty and that it "believes that the United States must have strong relationships and a strong and productive presence in Southeast Asia." Hence, on July 22, 2009, in Laguna Phuket, Thailand, she signed the TAC on behalf of the United States as a sole executive agreement.\textsuperscript{25} Since the United States and ASEAN share a mutual interest in preventing conflict and in maintaining the independence of regional states, acceding should further these interests. In terms of benefiting America, assenting to the TAC is designed to increase its standing in Southeast Asia by expanding U.S. presence in the region. As for ASEAN, Southeast Asian leaders generally have welcomed the Obama Administration’s move, particularly since China and India have emerged as great powers.\textsuperscript{26} Additionally, as some U.S. and ASEAN officials and analysts have pointed out, this expanding engagement with ASEAN will help boost Southeast Asia’s political stature, particularly as China seeks to continue expanding its influence in the region.\textsuperscript{27} The speed at which the Obama Administration worked together with ASEAN

\textsuperscript{24} Congressional Research Service, "Th e United States Accession to ASEAN’s Treaty of Amity and Cooperation" (May 5, 2009), 1.


\textsuperscript{27} Ibid.
members to realize U.S. accession to the Treaty highlighted America’s desire to build close mutual ties between ASEAN and the United States.

Acceding to the TAC not only increases U.S. visibility in the region but also helps the U.S. fulfill one of the requirements for joining the East Asian Summit (EAS). In 2009, the EAS, a four-year old forum, hosted its annual meeting for the heads-of-state of the ASEAN members and its EAS members, China, Japan, South Korea, India, Australia and New Zealand. The meeting was held on October 25, 2009, in Cha-am Hua Hin, Thailand, but the U.S. was not represented because it was not yet a member. The EAS is an open, inclusive, transparent and outward-looking forum, which strives to strengthen global norms and universally recognized values, with ASEAN as the driving force working in partnership with the other participants of the East Asia Summit.”

The EAS is a forum on broad strategic, political and economic issues of common interest and concern, with the aim of promoting peace, stability and economic prosperity in East Asia. The EAS’s growth and importance have signaled to Washington that its non-involvement could potentially hurt the United States. This led the Obama Administration to show its interest in becoming an EAS member. Overall, the opportunity to ratify the TAC works in favor of the administration as it provides America with viable avenues to improve its political-security relations with ASEAN, avenues of mutual benefit to both parties. It also paved the way for America to join the EAS.

ASEAN Regional Forum (ARF)

The ASEAN Regional Forum (ARF), a component of the ASEAN Political-Security Community, was established by the ASEAN leaders at the 27th ASEAN Ministerial Meeting on

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29 Ibid.
July 25, 1994 in Bangkok, Thailand. The ARF is a formal multilateral organization that fosters comprehensive discourse between its members. The objectives of the forum, as outlined in the first ARF Chairman’s Statement, are as follows:

1. To foster constructive dialogue and consultation on political and security issues of common interest and concern; and

2. To make significant contributions to efforts towards confidence-building and preventive diplomacy in the Asia-Pacific region.

The United States is presently one of the ARF’s twenty seven members. As noted in Chapters I and II of this thesis, U.S. President George W. Bush was not represented by Secretary of State Condoleezza Rice at the 2005 and 2007 meetings. As a result, when Obama became president, U.S. attendance and participation in the ARF was expected as proof of America’s desire to improve relations. Since U.S.-ASEAN dialogue relations focus strongly on political and security issues, the Obama Administration needed to show that the U.S. wanted to play a role in maintaining peace and stability in the region. Recognizing this, Secretary of State Clinton did attend the 16th Annual ARF, held on July 23, 2009, in Laguna Phuket, Thailand, her first ARF meeting.

At this meeting, the Ministers welcomed ASEAN’s determination to establish an ASEAN Community by 2015, guided by the ASEAN Charter, which entered into force in December 2008, and by the Roadmap for an ASEAN Community (2009-2015). In the Roadmap, there are some main components that the U.S. gives great focus and attention to and these include the “Promotion and Protection of Human Rights” and the “Promotion of Principles of Democracy.” The Human


31 Ibid.
Rights section calls for the establishment of an ASEAN human rights body through the completion of its Terms of Reference (ToR) by 2009 and encouragement between it and existing human rights mechanisms, as well as with other relevant international organizations. An action that the Principles of Democracy section seeks is to promote an understanding of the principles of democracy among ASEAN youth at schools at an appropriate stage of education. In terms of fostering better U.S.-ASEAN relations, these actions are significant in that they can assist the U.S. in helping ASEAN to accomplish its goals since the U.S. supports ASEAN member countries that combat human rights abuses and advocate democracy. The blueprint may not yield immediate results but it can improve U.S.-ASEAN relations overtime when some of the goals of the blueprint are achieved.

All of the officials in attendance at the ARF meeting recognized that the Asia-Pacific region continues to face multi-dimensional threats and challenges and that the ARF needs to continue to revitalize itself in order to maintain its relevance and primacy in promoting regional peace and stability and in helping to shape the evolving regional security architecture. The leaders believe that the ARF can continue to promote cooperation in areas of shared and mutual interests and can generate concrete benefits for the people of the region. Meanwhile, two key multi-dimensional threats and challenges affecting the Obama Administration arose during the ARF meeting: the Myanmar and South China Sea issues.

32 The ASEAN Secretariat, Roadmap for an ASEAN Community 2009-2015, (Jakarta: ASEAN Secretariat, April 2009), 9.
33 Ibid.
35 Ibid.
During the Bush Administration, U.S. interaction with Myanmar was restricted as America imposed economic sanctions on the Myanmar government. In 2009, since economic sanctions alone have not yielded positive results, the Obama Administration called for a new policy, of both engagement and economic sanctions, in hopes that dialogue with the Myanmar military junta would yield positive results. The ARF meeting was thus an opportunity for the administration to garner ARF leaders’ backing for its new policy towards Myanmar. The ASEAN Foreign Ministers did express their “willingness to continue to engage constructively with, and contribute to, the economic and social development of Myanmar and encouraged the Myanmar Government to make concrete and credible progress on the path to democratization.” In this connection, they encouraged the Myanmar Government to hold free, fair and inclusive elections in 2010, thereby laying down a good foundation for future social and economic development. President Obama and ASEAN leaders also called on the “Myanmar Government to release all those under detention, including Aung San Suu Kyi, to allow them to participate in the 2010 General Elections, in order to pave the way for meaningful dialogue and genuine reconciliation.”

Besides the Myanmar issue, the South China Sea is another issue involving the U.S. as ASEAN desires U.S. support in dealing with China on the Spratly Islands. This is a hotly contested topic between some ASEAN members and China because of their various claims to the Spratly Islands. In particular, there have been tensions between some ASEAN nations and China regarding the South China Sea. Because China is growing in economic strength and is becoming more dominant in the region, it is getting more aggressive in its territorial claims in the Spratly Islands. Therefore, at the meeting, the ASEAN Ministers reaffirmed the continuing importance of the “Declaration on the Conduct of Parties in the South China Sea (DOC) of 2002 as a milestone 36

36 Ibid.

37 Ibid.
document between the member states of ASEAN and China, as China signed this document, embodying their collective commitment to ensure the peaceful resolution of disputes in the area.\textsuperscript{38} The Declaration was designed as an effective tool for building mutual trust and confidence among the claimants in the area and for maintaining peace and stability in the region. The leaders reiterated the hope that the member states of ASEAN and China would expeditiously conclude the Guidelines on the Implementation of the DOC.\textsuperscript{39} They looked forward to the eventual conclusion of a Regional Code of Conduct in the South China Sea. They encouraged the continued exercise of self-restraint by all the parties concerned and the promotion of confidence-building measures.

They also welcomed a commitment to resolving disputes in the South China Sea by peaceful means in conformity with the spirit of the DOC and the recognized principles of international law, including the United Nations Convention on the Law of the Sea (UNCLOS).\textsuperscript{40} In addition to recognizing these protocols between ASEAN and China, ASEAN members welcomed U.S. support in combating a rising China—ASEAN wants U.S. backing on the South China Sea dispute.

The U.S.-ASEAN Summit in 2009

On November 15, 2009, President Obama hosted the first U.S-ASEAN Summit held in Singapore after the APEC Leaders’ Summit meeting. At the historic meeting, the ASEAN leaders welcomed the accession of the United States to the Treaty of Amity and Cooperation (TAC). The meeting included the attendance of Myanmar’s Prime Minister Thein Sein, due to the recent change in U.S. policy to directly engage the Myanmar leadership.\textsuperscript{41} That the U.S. President sat

\textsuperscript{38} Ibid.

\textsuperscript{39} Ibid.

\textsuperscript{40} Ibid.

down at the same table with the Myanmar premier showed a clear sign that America was serious about wanting to re-engage with the region. Furthermore, this summit marked a crucial component of Obama’s new policy since it represented the first time that a U.S. President met directly with all ten ASEAN leaders to discuss U.S.-ASEAN relations. At the Summit, President Obama said: “The U.S. is committed to strengthening its engagement with Southeast Asia.”

During the Summit, the U.S. and ASEAN discussed a broad range of issues, including twenty eight points that were listed in the U.S.-ASEAN Leaders Joint Statement. These points included climate change, nuclear proliferation, and the G20’s efforts to promote a sustained and balanced global economic recovery. The Leaders agreed to increase their collaboration and to establish a U.S-ASEAN Eminent Persons Group, to support enhanced U.S.-ASEAN cooperation in addressing regional and global issues. They also agreed to broader and deeper U.S.-ASEAN cooperation to promote educational exchanges, including cooperation in science and technology and in people-to-people interactions. President Obama pledged to increase opportunities for English language training in Southeast Asia and opportunities for educational exchanges in the United States and ASEAN. In addition, the Leaders reached an agreement on exploring future areas of cooperation, such as people/labor mobility, interfaith dialogue and development cooperation.

Again, the United States used the Summit to discuss Myanmar in an effort to gain direct ASEAN support. The ASEAN leaders welcomed the high level dialogue and the policy of the


43 Ibid.

44 Ibid.

45 Ibid.
United States to engage with the Government of Myanmar. 46 The U.S. expressed its hope that this effort, as well as ASEAN’s, would contribute to broad political and economic reforms in Myanmar. As did the 2009 ARF Meeting, this Summit underscored the importance of Myanmar achieving national reconciliation through general elections in 2010. These elections needed to be conducted in a free, fair, inclusive and transparent manner in order to be credible to the international community. 47 The U.S. also called on the Government of Myanmar to help create the conditions for credible elections, including initiating a dialogue with all stakeholders to ensure that the process would be fully inclusive. 48

At the Summit, President Obama stressed America’s interest in an enhanced engagement with ASEAN, which it regards as a key partner in the promotion of peace, stability and prosperity in the Asia-Pacific region. In order to help achieve this aim, President Obama announced that he would appoint an Ambassador for ASEAN Affairs to be stationed in Jakarta. 49 At the meeting’s conclusion, Abhisit Vejjajiva, the ASEAN Chair, and Thai Prime Minister, said:

ASEAN stands ready to be a reliable partner of the U.S. in tackling the various global and regional challenges, whether it is climate change, the Doha Round or counter-terrorism and security issues. This has been a historic meeting and we are happy with the progress this enhanced partnership has achieved. 50

The first U.S.-ASEAN Summit was thus a success in showing to ASEAN the Obama Administration’s desire to engage Southeast Asia. Some of the topics discussed revealed U.S.

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46 Ibid.
47 Ibid.
48 Ibid.
49 Ibid.
50 Ibid.
plans to boost America’s commitment to ASEAN. Moreover, President Obama said that he looked forward to hosting a second U.S.-ASEAN Summit in 2010 in the United States.

Section III: Economic Aspects of the U.S.-ASEAN Relationship

Imports, Exports, and Investment

According to the most recent statistics, in 2009, ASEAN was the United States fourth largest export market and its fifth largest two-way trading partner. That year, the United States had a total of $146 billion in two-way trade with the ASEAN countries, with exports totaling $54 billion and imports totaling $92 billion.\(^{51}\) U.S. goods exported to ASEAN countries in 2009 amounted to $53.8 billion, which was down 19.5% ($13.1 billion) from 2008.\(^{52}\) This decrease in U.S. exports is significant because U.S. exports to the ASEAN countries accounted for 5.1% of overall U.S. exports in 2009, down from 6.3% in 1994. Since U.S. exports to ASEAN have decreased, President Obama had an economic challenge to meet in trying to increase U.S. exports with ASEAN. In 2009, the top five ASEAN markets receiving U.S. exports were Singapore with $22.3 billion, Malaysia with $10.4 billion, Thailand with $6.9 billion, Philippines $5.8 billion, and Indonesia with $5.1 billion.\(^{53}\) In terms of imports from Southeast Asia to the U.S. that year, there was also a decrease. For example, goods imported from the ASEAN countries totaled $92.1 billion, which is down 16.4% ($18.1 billion) from 2008.\(^{54}\) This decrease is important because the goods imported from ASEAN accounted for 5.9% of overall U.S. imports in 2009, down from

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\(^{52}\) Ibid.

\(^{53}\) Ibid.

\(^{54}\) Ibid.
7.9% in 1994. The top five ASEAN import suppliers to the U.S. in 2009 were Malaysia with $23.3 billion, Thailand with $19.1 billion, Singapore with $15.7 billion, Indonesia with $12.9 billion, and Vietnam with $12.3 billion.\textsuperscript{55}

The United States and ASEAN also have a U.S.-ASEAN Trade and Investment Arrangement (TIFA), established on August 25, 2006. Since then, the U.S. has been working to build U.S.-ASEAN trade and investment ties as well as promote ASEAN regional economic integration. The Obama Administration intensified its work under the TIFA in 2009, presenting ASEAN senior officials with a number of ambitious proposals to be pursued under the TIFA work plan.\textsuperscript{56} The new work plan items include negotiating agreements on trade facilitation, and conducting dialogues on trade finance, trade and environment, and government-business.\textsuperscript{57}

Meanwhile, U.S. foreign direct investment (FDI) in ASEAN countries stocks was $153.3 billion in 2008—which is the latest data available—and is up 8.0% from 2007.\textsuperscript{58} According to the latest data available, ASEAN countries’ FDI in the United States stock was $13.5 billion in 2008, up 5.8% from 2007.\textsuperscript{59} Both sides need to continue working more closely in order to achieve substantial improvements in their trade ties.

The 2009 APEC Meeting

President Obama attended the 17th annual Asia-Pacific Economic Cooperation (APEC) Economic Leaders’ Meeting held in Singapore from November, 14-15 2009. The theme of this

\textsuperscript{55} Ibid.

\textsuperscript{56} Ibid.

\textsuperscript{57} Ibid.

\textsuperscript{58} Ibid.

\textsuperscript{59} Ibid.
APEC Meeting, attended by the twenty-one member nations was —A New Growth Paradigm for a Connected Asia-Pacific in the 21\textsuperscript{st} Century.\textsuperscript{60} The meeting built on APEC’s work to date in promoting economic growth, cooperation, and trade and investment across the Asia-Pacific region. Given the then challenging global economic environment, the meeting’s focus was on overcoming the economic crisis and placing member economies in a position to obtain a sustainable recovery.\textsuperscript{61}

A high point for the United States during the meeting was the leaders’ declaration of —A Connected Asia-Pacific in the 21st Century.” This statement embraces a comprehensive approach to build a 21st century model of economic integration that will combine trade liberalization —at the border”, improve the business environment —behind the border”, and enhance supply chain connectivity —across the border.”\textsuperscript{62} —At the Border” Liberalization is one of the most beneficial components for the U.S. because it sets out to continue an exploration of building blocks towards a possible Free Trade Area of the Asia-Pacific (FTAAP) in the future.\textsuperscript{63} The FTAAP is being pursued as a comprehensive free trade agreement by developing and building on ongoing regional undertakings, such as ASEAN+3, ASEAN+6, and the Trans-Pacific Partnership (TPP).\textsuperscript{64} The FTAPP component most significant to the U.S. is the TPP. Prior to the meeting, President Obama made an announcement in Tokyo that the United States would engage the TPP. The Obama


\textsuperscript{61} Ibid.


\textsuperscript{63} Ibid.

\textsuperscript{64} Ibid.
Administration is still seeking to join the TPP Agreement because it believes the agreement will help expand American exports, savings, and jobs opportunities at home.65 On the whole, the U.S. recognizes the importance of APEC and the trade and investment liberalization it seeks to foster for future economic growth and prosperity. By the end of APEC meeting, the leaders reaffirmed their commitment to accelerating regional economic integration in the Asia-Pacific region by promoting greater convergence among APEC economies in key trade and investment policy areas.66 In 2009, U.S. participation in APEC was another signal from the Obama Administration of its intentions to re-engage its trade relations with Southeast Asia.

Section IV: U.S.-ASEAN Socio-Cultural Ties: Educational Exchanges

The United States has several educational exchange programs with ASEAN and they include the Fulbright Scholarship Program, the Vietnam Education Foundation, and the YES Program. The Fulbright Scholarship Program began in September 1945, when the freshman senator from Arkansas, J. William Fulbright, introduced a bill in the U.S. Congress that called for the sale of surplus war property to fund the promotion of international good will through the exchange of students in the fields of education, culture and science.67 The program works with universities, schools, binational Fulbright commissions, government agencies, nongovernmental organizations and the private sector to seek out individuals of achievement and potential who represent the full diversity of their respective societies and selects nominees through open, merit-


Southeast Asia has been a recipient of Fulbright Scholarships for over sixty years. The Fulbright Scholarship Program provides U.S. students and students from its partner countries with the opportunity to study, teach, and conduct research. In ASEAN, five states—the Philippines, Myanmar, Thailand, Indonesia, and Malaysia—have binational Fulbright Commissions that are funded by the United States and the partner government and it is these commissions that are in charge of administering the Fulbright scholarships. The remaining ASEAN states—Singapore, Vietnam, Laos, Cambodia, and Brunei—do not have binational Fulbright Commissions. Instead, the U.S. Embassy’s administers the Fulbright awards in each of these countries. Out of all ten countries, the Philippines have been the longest recipient of the Fulbright scholarships while Vietnam has been the recipient of the most scholarships. Thailand, Indonesia, Malaysia, Singapore, and Brunei have all had stable histories while Myanmar, Laos, and Cambodia have had unstable histories. Nevertheless, in 2009 all ten countries participated in the Fulbright Scholarship Program.

The Vietnam Education Foundation (VEF) is another example of educational exchange. It began in Vietnam in December 2000, at the end of President Clinton’s second term when Congress passed the Vietnam Education Act of 2000. It is funded by the debt that the South

68 Ibid.
69 Ibid.
70 Ibid.
71 Ibid.
72 Ibid.
73 Ibid.
Vietnamese Government owed to the U.S. Government when the Vietnam War ended. In 2009, the VEF was continued by the Obama Administration. The VEF’s mission is to strengthen the U.S.-Vietnam bilateral relationship through educational exchanges in sciences, mathematics, medicine, and technology.\textsuperscript{75} The program is designed to be mutually beneficial as it provides scholarships and grants to Vietnamese citizens and U.S. citizens. For example, it allows Vietnamese students the opportunity to obtain U.S. graduate degrees and Vietnamese post-doctoral educators to conduct research at top U.S. universities. It also enables U.S. professors to teach at Vietnamese universities through videoconferencing.\textsuperscript{76} The application and selection progress is rigorous. However, it is open, competitive, and transparent, with final selection made by the VEF Board of Directors.\textsuperscript{77} Since 2003, there have been over three hundred VEF participants, with 37 chosen in 2009.\textsuperscript{78}

The Youth Exchange and Study (YES) Program, another example of educational exchange, was continued by the Obama Administration in 2009. The program began under President George W. Bush, when his administration recognized that public diplomacy efforts had been neglected in countries around the world for many years. The effects of this neglect came into focus in the aftermath of September 11, 2001 and led to growing anti-U.S. sentiment worldwide.\textsuperscript{79} To remedy the situation, the Bureau of Educational and Cultural Affairs (ECA) at the U.S. Department of State, along with the U.S. exchange community, pushed for more youth exchanges

\textsuperscript{75} Ibid.

\textsuperscript{76} Ibid.

\textsuperscript{77} Ibid., 12-13.

\textsuperscript{78} Ibid., 15.

to build bridges between citizens of the U.S. and countries around the world, particularly those with significant Muslim populations.\textsuperscript{80} As a result, the YES Program was established in October, 2002. It is sponsored by the ECA, which provides scholarships for high school students ages 15 to 17 years old.\textsuperscript{81} These students come from countries with significant Muslim populations, and are from a wide range of socio-economic and cultural backgrounds.\textsuperscript{82} They spend one academic year in the U.S. and are selected in an open, merit-based competition.\textsuperscript{83} While in the U.S., the students live with host families, attend high school, engage in activities to learn about American society and values, acquire leadership skills, and help educate Americans about their countries and cultures.\textsuperscript{84} The Obama Administration has continued the educational exchanges between the U.S. and ASEAN. By doing so, the administration has shown ASEAN that it wants to re-engage the region on the socio-cultural level.

Section V: Conclusion

Therefore, in 2009, the Obama Administration embarked on an ambitious journey to strengthen relations with ASEAN. It sought to re-engage with the Southeast Asian nations on the political-security, trade, and socio-cultural levels. On the political-security level, President Obama’s Cairo speech on June 4, 2009, and his overtures to the Muslim populations in Southeast Asia were groundbreaking actions and were well received by the Muslim populations and the leaders in the region. The administration also ratified ASEAN’s Treaty of Amity and Cooperation

\begin{footnotes}
\footnote{Ibid.}{80}
\footnote{Ibid.}{81}
\footnote{Youth Exchange and Study Program, —AboutUs,” http://www.yesprograms.org/about (accessed February 24, 2011).}{82}
\footnote{Ibid.}{83}
\footnote{The U.S. Department of State, —Kennedy-Lugar Youth Exchange and Study (YES) Program,” http://exchanges.state.gov/youth/programs/yes.html (accessed February 24, 2011).}{84}
\end{footnotes}
(TAC), on July 22, 2009, in Laguna Phuket, Thailand. This was an important move by the administration because accession to the TAC is a requirement for becoming a participating member of the East Asia Summit. ASEAN leaders welcomed U.S. accession to the TAC at the first U.S.-ASEAN Summit. Meanwhile, Secretary of State Clinton attended the ASEAN Regional Forum (ARF), held on July 23, 2009, in Laguna Phuket, Thailand. Her attendance demonstrated the Obama Administration’s seriousness in re-engaging with ASEAN. The ASEAN leaders were happy to have a U.S. presence at the meeting. Furthermore, President Obama hosted the historic first U.S.-ASEAN Summit, which was held on November 15, 2009 in Singapore. At the meeting, he and ASEAN leaders discussed several areas of the relationship, including U.S.-ASEAN educational exchanges. While hosting this Summit, President Obama also pronounced his intention to appoint a U.S. Ambassador to ASEAN Affairs who would be resident in Jakarta. On the trade level, President Obama attended the 2009 APEC meeting held in Singapore from November, 14-15 2009. His attendance was a clear sign that he recognizes the importance of the forum and that U.S. representation is a necessity if he is to improve America’s trade relations with the Southeast Asian region. During the meeting, he announced that the U.S. would seek to become a member of the TPP Agreement as he hopes it will create more American jobs and open more markets for U.S. goods. In terms of socio-cultural ties, President Obama continued the Fulbright Scholarship Program, the Vietnam Education Foundation, and the YES Program, all of which facilitate educational exchanges between the U.S. and ASEAN member countries. So overall, in 2009, the Obama Administration succeeded in its re-engagement policy as it was able to expand relations in all three areas. Of these areas, the political-security level saw the most improvement in U.S.-ASEAN relations. As the next chapter will show, the administration was ready to continue strengthening its relations with ASEAN in 2010.
CHAPTER IV
U.S.-ASEAN RELATIONS IN 2010, OBAMA’S SECOND YEAR AS PRESIDENT

President Obama’s second year in office was geared towards building on the foundation
that he established in 2009 to advance U.S.-ASEAN relations. The aim of Chapter IV is to trace
the Obama Administration’s re-engagement policy with ASEAN in 2010 and also point out the
continuity and change in this policy. The organization of the chapter is in five sections. Section I,
the Introduction, will emphasize the goals of the Obama Administration as it continued its re-
engagement policy with ASEAN. Section II, on political-security relations, will examine the ARF
Meeting, the 2nd U.S.-ASEAN Summit, the ASEAN Defense Ministers Meeting (ADMM) Plus
Meeting, the East Asia Summit, U.S. relations with Myanmar, and President Obama’s trip to
Indonesia. Section III, on trade ties, will outline the 2010 APEC Meeting and developments in the
Trans-Pacific Partnership (TPP). However, this section will not include statistics on trade,
imports, exports, and investment for 2010, for they have yet to be released. Section IV, on socio-
cultural ties, will then trace developments in the Youth Exchange and Study (YES) Program and
the Lower Mekong Initiative. Section V, the Conclusion, will provide an overall assessment of
Obama’s second year and will point out the continuity and change in his re-engagement policy.

Section I: Introduction

In 2010, the Obama Administration had certain goals to reach in its agenda for Southeast
Asia. In particular, the administration had to sustain U.S. representation at important ASEAN
meetings, such as the APEC and ARF Meetings to show its firm commitment to the Association.
Also, the administration had to host the 2nd U.S.-ASEAN Summit scheduled for 2010 in the
United States. An added goal was to appoint an Ambassador to ASEAN, resident in Jakarta. Yet
another goal was to participate in the ASEAN Defense Ministers Meeting (ADMM) and the East
Asia Summit (EAS). An additional goal was for President Obama to visit Indonesia since he was
unable to do so in 2009 and to ratify the U.S.-Indonesia Comprehensive Partnership with President
Yudhoyono. Therefore, in his second year in office, President Obama had a full agenda for re-engaging with Southeast Asia.

Section II: Political-Security Aspects of the U.S.-ASEAN Relationship

The ASEAN Regional Forum (ARF) Meeting

The Seventeenth Meeting of the ASEAN Regional Forum (ARF) was convened in Hanoi, Vietnam, on July 23, 2010, chaired by H.E. Pham Gia Khiem, the Deputy Prime Minister and the Minister of Foreign Affairs of the Socialist Republic of Vietnam. The Meeting was attended by the ASEAN Foreign Ministers and by representatives of all ARF participants, including U.S. Secretary of State Clinton. This was her second consecutive attendance at the ARF meeting. During the meeting, the Ministers reaffirmed that the ARF remains the primary forum to discuss political and security issues in the region and supported ASEAN’s role as the driving force in the ARF process.1 The Ministers underscored the importance of the ARF as a “central pillar in the evolving regional security architecture.” 2 To this end, the Ministers emphasized the need for the ARF to maintain its relevance and become more action-oriented in addressing multi-dimensional challenges, such as the non-traditional security threats that have a direct impact on peace and security in the region.”3

In an effort to achieve these goals, there was discourse on a myriad of issues. However, the South China Sea issue became a focal point for the U.S. and some ASEAN leaders. For example, Vietnam, Philippine, and Malaysian officials voiced their concerns to the U.S. about China’s growing assertiveness in the South China Sea. These ASEAN countries and China have

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1 Association of Southeast Asian Nations (ASEAN), 43rd AMM/PMC/17th ARF VIETNAM 2010 Chairman’s Statement 17th ASEAN Regional Forum,” http://www.aseansec.org/24929.htm (accessed February 24, 2011).

2 Ibid.

3 Ibid.
territorial claims in the Spratlys that involve fishing grounds and largely unexploited oil and natural gas fields. While Hanoi wanted to internationalize the settlement of the dispute, China insisted that negotiations must be strictly bilateral. To China, ASEAN, as an Association, has no voice in the situation; so China lobbied to keep the issue off the table for discussion during the ARF Meeting.  

Just days before this July ARF Meeting, U.S. Pacific Command (PACOM) Commander Admiral Robert Willard gave an interview with Defense News, on July 19, which noted:

Chinese forces have confronted Indonesia, Malaysia, Vietnam, and the Philippines in these contested areas. China’s naval buildup has permitted Beijing to increase its military presence in the region. … Southeast Asian states are also boosting their naval forces with Vietnam, Singapore, and Malaysia acquiring submarines. Therefore, the potential for South China Sea skirmishes seems likely to increase.

The South China Sea issue was a very important matter at the ARF Meeting. Secretary of State Clinton involved the U.S. in this matter by launching an appeal to settle the dispute. In particular, she offered to facilitate multilateral talks through ASEAN on the islands’ future, which would be a “collaborative diplomatic process by all claimants for resolving the serious territorial disputes without coercion.” She recognized that, in the past, Washington had been committed to preserving unobstructed maritime passage through and around the Spratly Islands. The ground work for this new Obama Administration initiative was laid through earlier visits to the region by

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6 Ibid., 50.

7 Ibid.
two top State Department officials, Assistant Secretary for East Asian and Pacific Affairs Kurt Campbell and Undersecretary of State William Burns. Clinton reiterated the well-known U.S. position that Washington remains neutral with respect to the several nations’ claims to the Spratlys.\(^8\)

Professor Sheldon Simon is correct in saying that this U.S. initiative introduced by Secretary Clinton at the ARF Meeting can be seen as part of a larger engagement policy that is designed to update relations with ASEAN countries.\(^9\) Her introduction of this U.S.-ASEAN initiative on the South China Sea and her second consecutive attendance at the meeting showed that the Obama Administration plans to uphold its commitment to the region. Clinton’s role also mirrored change in the Obama Administration’s approach to the political-security aspect of its re-engagement policy—instead of only attending the 2010 meeting, the U.S. took on a more assertive position when Clinton defended the ASEAN nations vis-à-vis China.

The 2\(^{nd}\) U.S.-ASEAN Summit Meeting

The United States hosted the Second U.S.-ASEAN Summit meeting on September 24, 2010, in New York City. This Summit was co-chaired by President Obama and H.E. Nguyen Minh Triet, the President of Vietnam, then Chair of ASEAN’s Standing Committee. At the meeting, the participants discussed political-security, trade, and socio-cultural concerns, all components of the Obama Administration’s re-engagement policy with Southeast Asia. The ASEAN leaders noted with appreciation the Obama Administration’s sustained engagement with them. They reaffirmed the United States’ firm commitment in continuing a comprehensive relationship with ASEAN in the following ways: through participation in the annual Post Ministerial Conference (PMC) meetings, the ARF, and the ASEAN Defense Ministers Meeting Plus (ADMM Plus) process; through the U.S.-ASEAN Trade and Investment Framework

\(^8\) Ibid.

\(^9\) Ibid., 51.
Arrangement (TIFA); through accession to ASEAN’s Treaty of Amity and Cooperation (TAC); and through the establishment of a U.S. Permanent Mission to ASEAN.\(^{10}\)

At the Second Summit, ASEAN officials welcomed Obama’s proposal to appoint the first resident U.S. Ambassador to ASEAN based in Jakarta.\(^{11}\) After the Summit, President Obama announced his choice of David L. Carden as the Representative of the United States of America to ASEAN with the rank of Ambassador. Prior to his appointment, Carden had served as a partner at Jones Day, an international law firm with over 30 offices around the world, including six offices in Asia.\(^{12}\) At the Summit, the ASEAN leaders also focused on encouraging Myanmar to open its political system. Moreover, they used careful language to reiterate their common views on maritime dispute resolution, multilateralism, and transparency in the South China Sea.\(^{13}\) Overall, the U.S.-ASEAN Summit showed progress in the Obama administration’s re-engagement policy especially by underlining mutual commitments with ASEAN in areas such as security cooperation, trade and investment, and socio-cultural development.\(^{14}\) However, because the Summit was held in New York City and not in Washington, D.C., and because Indonesia’s President Yudhoyono, leader of ASEAN’s largest country, was not present, some analysts believed these were some of the drawbacks to the Second U.S.-ASEAN Summit meeting.\(^{15}\)

The 2010 ASEAN Defense Ministers Meeting Plus (ADMM PLUS)


\(^{11}\) Ibid.

\(^{12}\) Ibid.

\(^{13}\) Ibid.

\(^{14}\) Ibid.

\(^{15}\) Ibid.
Vietnam’s Minister of Defense, General Phung Quang Thanh, hosted the inaugural ADMM + 8 meeting on October 11, 2010, in Hanoi, Vietnam. It was attended by the Defense Ministers of the ASEAN nations, Australia, China, India, Japan, Korea, New Zealand, Russia, and the United States. This meeting was held after Vietnam, as Chair of ASEAN, pushed to get the ADMM+8 started. Part of the motivation for this meeting was the desire to include the United States formally in Asia’s newly developing security infrastructure, the East Asia Summit (EAS).\textsuperscript{16} The meeting focused on establishing “modalities for the newly expanded forum and on initiatives to establish confidence, build capacity, and cooperate on regional exercises promoting common interests, like humanitarian assistance and disaster relief.”\textsuperscript{17} The defense ministers agreed on the urgent need to build trust and confidence among their militaries, especially at a time of rising tensions.\textsuperscript{18} As they all need defense and security cooperation in the areas of counterterrorism and anti-piracy, the ADMM Plus provides a forum for the Defense Ministers to come together to discuss and resolve common issues.

At the conclusion of the ADMM Plus Meeting, the Defense Ministers issued a Joint Declaration, in which they agreed to:

1. Affirm our commitment to enhance peace, security, and prosperity in the region;

2. Promote the ADMM Plus as a useful and effective platform for cooperation on defense and security issues that is able to make useful contributions to regional peace and security;


\textsuperscript{17} Ibid.

\textsuperscript{18} Ibid.
3. Enhance friendship, mutual trust, and confidence through greater dialogue and exchange among the ADMM Plus defense establishments; and

4. Strengthen regional defense and security cooperation through conduct of concrete and practical cooperation to address defense and security issues of mutual interest, with a view to building capacity, developing expertise, and enhancing coordination in areas that can contribute to regional peace and security.19

U.S. Secretary of Defense, Robert Gates, made some remarks after attending this meeting. He stated that “one of President Obama’s touchstone issues for his administration is to combat the proliferation of nuclear weapons.”20 He also made reference to the extremist violence that “is a growing threat in Asia, which the United States takes very seriously and is cooperating with a range of partners to increase the combined capacity to combat this threat.”21 Secretary Gates’ presence at the meeting clearly demonstrated the Obama Administration’s continued efforts to improve U.S.-ASEAN political-security relations. Because the challenges of nuclear weapons and maritime security continue to rise in Southeast Asia, the ADMM Plus can play an important part in combating these threats. Although this was only the first meeting of the ADMM Plus Ministers, some observers claimed that it would continue, along with the ASEAN Regional Forum (ARF), and the East Asia Summit (EAS) Meetings.22


20 Ibid.

21 Ibid.

The 2010 East Asia Summit Meeting

As special guests of Vietnam, the Standing Chair of ASEAN, U.S. Secretary of State, Hillary Clinton, and Russian Foreign Minister, Sergey Lavrov, were invited to the Fifth East Asia Summit (EAS) Meeting. The EAS, chaired by H.E. Mr. Nguyen Tan Dung, Prime Minister of the Socialist Republic of Vietnam, was held on October 30, 2010 in Hanoi, Vietnam. The Summit’s participants included the Heads of State/Prime Ministers of ASEAN and the Heads of State of Australia, the People’s Republic of China, the Republic of India, Japan, the Republic of Korea, and New Zealand. Clinton represented President Obama in Hanoi. U.S. membership in the EAS is part of Obama’s strategy to assert leadership in the Asia-Pacific by strengthening alliances and by building up the EAS to become the premier forum for engagement on political and strategic issues.  

At the meeting, Clinton stated, “given its membership and its growing stature, we believe that the EAS should pursue an active agenda that involves the most consequential issues of our time.” She listed issues such as nuclear proliferation, the increase in conventional arms, climate change, the promotion of human rights and maritime security as issues of concern. She called on the 16 members of the East Asia Summit to adopt an “active agenda” that involves settling maritime disputes, including China’s claims to the South China Sea. She said, “The United States has a national interest in the freedom of navigation and unimpeded lawful commerce…when disputes arise over maritime territory, we are committed to resolving them peacefully based on customary international law.” She went on to say, “we are encouraged by China’s recent steps to

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24 Ibid.

25 Ibid.

26 Ibid.
enter discussions with ASEAN about a more formal binding code of conduct.” The U.S.’s — overarch goal for the EAS is to help strengthen and build this organization as a key forum for political and strategic issues in the Asia-Pacific, to aid the Obama Administration in the political-security aspect of its re-engagement policy. Secretary Clinton’s presence at the EAS was an opportunity for her to issue a second call for attention to the South China Sea disputes. Her attendance also paved the way for President Obama to represent the U.S. as a participating EAS member at the 2011 meeting.

Myanmar

In February 2009, Secretary of State Clinton, recognizing the impasse between the U.S. and Myanmar during the Bush Administration, asked that a review of U.S. policy towards Myanmar be done under the new Obama Administration. After this assessment was completed, Secretary Clinton proclaimed that the United States would end its isolation of Myanmar and would directly engage the military government.” The U.S. then used both the ARF Meeting and first U.S.-ASEAN Summit to present its stance and to garner ASEAN support for free elections in 2010, the year that the Myanmar Government announced that elections would be held. These elections commenced on November 7, making it the first national elections in Myanmar in 20 years. The pro-junta Union Solidarity and Development Party (USDP) won after gaining 76.5 percent of the 1,142 seats in the parliament. The National Unity Party (NUP), also holding close

27 Ibid.

28 Ibid.


ties to the ruling junta, was runner-up with 5.7 percent of the seats. \textsuperscript{31} Nobel Prize winner Aung San Suu Kyi’s opposition party, the National League for Democracy (NLD), did not stand in the elections while millions of Myanmar’s ethnic minorities groups were not allowed to participate. \textsuperscript{32}

Many countries, including the United States and Australia, criticized the elections for widespread fraud. To President Obama and Secretary Clinton, “the vote was neither free nor fair.” \textsuperscript{33} Clinton said that Washington would maintain “rigorous sanctions” against the Myanmar Government if it continued to abuse human rights, ignore dialogue with the opposition, and hold political prisoners. \textsuperscript{34} But there was a mixed response among the ASEAN leaders. For example, Indonesia and the Philippines denounced the elections as a sham but Cambodia, Laos and Vietnam endorsed them. \textsuperscript{35} On the other hand, Thailand, Singapore, and Malaysia said, that they had “no choice but to live with the results.” \textsuperscript{36}

Shortly after the election, on November 13, Aung San Suu Kyi was released from seven years of house arrest. The Western world celebrated, while President Obama said: “She is a hero of mine and a source of inspiration for all who work to advance human rights in Myanmar and the world.” \textsuperscript{37} ASEAN leaders also welcomed Suu Kyi’s release. Indonesian Foreign Minister Marty Natalegawa noted that with her release ASEAN should focus on Myanmar’s next challenge: national reconciliation.” He also said that Suu Kyi should be allowed to work on Myanmar’s

\textsuperscript{31} Ibid.
\textsuperscript{32} Ibid.


\textsuperscript{34} Ibid.

\textsuperscript{35} Ibid., 62.

\textsuperscript{36} Ibid.

\textsuperscript{37} Ibid., 63
—future democratization.‖ Meanwhile, Suu Kyi said that she was reconsidering her stand on economic sanctions against the Myanmar Government —only on the grounds of whether or not the sanctions are hurting the people.” But, she also cautioned Washington to assess whether engagement with the regime is working and not to wear —rose colored glasses.‖ Also on November 14, Secretary Clinton urged Myanmar’s leaders to break with their repressive policies and begin an inclusive dialogue with Aung San Suu Kyi and other democratic and ethnic leaders.‖ However, by the end of December, no such dialogues had begun. So, in 2010, the Obama Administration’s re-engagement policy on Myanmar underwent a shift. Secretary of State Clinton moved to a tougher stance and threatened Myanmar with —rigorous sanctions” should it not make progress in meeting U.S. demands.\(^41\)

President Obama’s Visit to Indonesia in November 2010

President Obama was at last able to make his visit to Indonesia after three postponements in 2010. The president’s first missed visit was in November 2009 when he was scheduled to travel to Indonesia after the APEC Meeting in Singapore but could not do so. U.S. and Indonesian officials then agreed that a meeting the following year would be —more productive.‖\(^42\) The second missed attempt was when he cancelled due to his wanting to pass the stalled health care reform legislation in March 2010 while the third was due to the BP-Deepwater Horizon explosion and oil spill in the Gulf of Mexico in April 2010.

\(^{38}\) Ibid.

\(^{39}\) Ibid.

\(^{40}\) Ibid.

\(^{41}\) Ibid.

Meanwhile in 2010, Indonesia suffered several natural disasters. On October 4, flash floods and landslides in the West Papua town of Wasior killed at least 150 people, rendering thousands homeless and hundreds missing. Soon after, on October 25, a 7.7-magnitude earthquake hit the Mentawai Islands off West Sumatra, triggering a tsunami that claimed more than 500 lives. Less than a month later, on November 5, eruptions on Mount Merapi in Central Java was so horrendous that it killed at least 320 people and left tens of thousands to be evacuated to shelters outside the 20-kilometer exclusion zone. In response to these natural disasters and after consulting with the Indonesian government, the United States contributed humanitarian aid to Indonesia through the U.S. Agency for International Development (USAID). The United States pledged $2 million in total humanitarian assistance to Indonesia.

Just days after the devastating volcanic eruptions, from November 9-10, 2010, President Obama visited Indonesia. In spite of his earlier setbacks, President Obama’s trip to Asia, particularly Indonesia, was important, well-timed, and successful. In Indonesia, presidents Obama and Yudhoyono ratified the U.S.-Indonesia Comprehensive Partnership on November 9, 2010, a strategic partnership that represents a long-term commitment by both leaders to broaden, deepen, and elevate their bilateral relations. The major areas of cooperation include the

44 Ibid.
45 Ibid.
48 Ibid.
following: science and technology, entrepreneurship, education and student exchanges, regional
democracy promotion, and interfaith dialogue.\textsuperscript{49} This high level of engagement between the two
countries also demonstrates the Obama Administration’s effort to normalize military ties with
Indonesia, which includes its decision to resume providing assistance to Kopassus, an Indonesian
Army Special Forces group.\textsuperscript{50} Since President Obama already enjoys personal popularity among
Indonesians, this partnership will help foster better relations between the U.S. and Indonesia. On
the whole, the ratification of the U.S.-Indonesia Comprehensive Partnership is solid evidence of
the Obama Administration’s desire to re-engage Southeast Asia and expand U.S.-Indonesian
relations.

Section III: The Trade Aspects of the U.S.-ASEAN Relationship

The 2010 Asia-Pacific Economic Council (APEC) Meeting

The 18th APEC Economic Leaders’ Meeting was held from November 13-14, 2010, in
Yokohama, Japan. The meeting marked President Obama’s second consecutive year of attendance
at the APEC forum. The meeting focused on –Bogor Goals,\textsuperscript{51} from the 1994 Bogor, Indonesia,
APEC Meeting, when Leaders’ announced their –shared commitment to achieve free and open
trade and investment by 2010 for industrialized economies and by 2020 for developing
economies.\textsuperscript{51} These targets became known as the –Bogor Goals,\textsuperscript{51} an \textit{ambitious manifestation of}
the common belief that free and open trade and investment are essential to realize the growth

\textsuperscript{49} Ibid.

\textsuperscript{50} Ibid.

\textsuperscript{51} The White House, –ABC/Yokohama: Leaders' Statement on 2010 Bogor Goals
Assessment," (Washington D.C.: Office of the Press Secretary) http://www.whitehouse.gov/the-
February 24, 2011).
potential of the region and to enhance economic and social outcomes for all APEC economies.”

In hopes of achieving these goals, the APEC Leaders agreed to focus on liberalizing trade and investment among their economies and pledged to work toward greater economic integration and the creation of an Asia-Pacific free trade area.

At the APEC meeting, leaders from the 21 economies issued a joint statement that praised APEC as “an engine for progress in the world’s most economically dynamic region,” which has “driven rising prosperity for all across the globe.” The statement also said that APEC members would build on that progress by recommitting themselves to “pursue an even more closely integrated regional economy and strong, sustainable, and balanced growth in the region.” This includes “taking concrete steps” toward the realization of a Free Trade Area of the Asia-Pacific (FTAAP), which APEC members say will “bring about greater prosperity and well-being for all peoples in the Asia-Pacific region and beyond.” Although the statement acknowledged that more work needs to be done, it claimed that significant progress had been made towards meeting the Bogor Goals, “thanks in part to the willingness of some APEC leaders to liberalize their economies.” To President Obama “this confidence to open up domestic economies would not have been possible were it not for the formation of APEC.”

Therefore, the Obama Administration reaffirmed to the ASEAN leaders America’s unwavering commitment to achieving

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52 Ibid.
54 Ibid.
55 Ibid.
56 Ibid.
57 Ibid.
58 Ibid.
free and open trade and investment in the region," especially through the Trade and Investment Framework Agreement (TIFA) that it established with ASEAN in 2006.

President Obama’s presence at his second consecutive APEC meeting showed his intention of increasing the trade aspect of the re-engagement policy for the region. Additionally, his attendance demonstrated that U.S. interest in Asian economies, particularly ASEAN’s, is an integral component of his trade policy since ASEAN is America’s fifth largest trading partner. Although APEC leaders emphasized the realization of the FTAAP, the United States is giving more focus to the Trans-Pacific Partnership (TPP). Because Obama’s goal is to double U.S. exports within five years, create more markets for U.S. products, and generate more jobs for Americans, he is pursuing the TPP in hopes that it will help him to achieve these goals.

The Trans-Pacific Partnership (TPP)

At the 2010 APEC Meeting, President Obama stated that “the economic relationship between the United States and Asia will only become more important as this region continues to grow.” He also said that the security and prosperity of both are “linked inextricably in the 21st century.” Thus, the administration is actively pursuing the Trans-Pacific Partnership, a pledge which it made at the 2009 APEC meeting. The President recognizes that Asia Pacific is where the United States engages in much of its trade and commerce; where businesses invest and where it attracts investment to U.S. shores; where it buys and sells many American goods and services — exports that support millions of jobs for the American people.” However, he has also said “the overall U.S. share of trade in the region has declined over the past five years, and that the trend needs to change if the United States wants to continue selling its goods and services to the region’s rapidly developing markets.” He believes that, by reducing trade barriers through deals like the

59 Ibid.

60 Ibid.

61 Ibid.
TPP, the agreement will bring not only economic benefits to all sides, but will also send a message that the United States has a valuable stake in Asia. The president added, “We are invested in Asia’s success because it’s connected to our own. We have a stake in Asia’s future because the destiny is shared.”62 The president is very cognizant that it is vital for the U.S. to expand its trade in the areas of imports, exports, and investment opportunities if the U.S. wants to see a sizeable increase in its trade ties with Southeast Asia.

In the meantime, the fourth round of talks between the United States and the other Trans-Pacific Partnership (TPP) countries—Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam—concluded in Auckland, New Zealand, on December 10, 2010. The negotiations covered such issues as promoting connectivity to deepen the links of U.S. companies to the emerging production and distribution networks in the Asia-Pacific; making the regulatory systems of TPP countries more compatible so that U.S. companies can operate more seamlessly in TPP markets; helping small- and medium-sized enterprises, which are a key source of innovation and job creation, to participate more actively in international trade; and supporting development.”63 The United States is interested in seeing the TPP succeed since it will facilitate balanced trade and will advance issues of common interest to the nine TPP countries. More importantly, the President is pushing the TPP because he believes that if the U.S. and TPP members work together and act together, strengthening their trade ties can be a win-win for all of the nations involved.”64

Section IV: The Socio-Cultural Aspects of the U.S.-ASEAN Relationship

62 Ibid.


64 Ibid.
The Youth Exchange and Study (YES) Program

Since the U.S. and ASEAN seek to expand educational exchanges between them, America’s Youth Exchange and Study (YES) Program is important for this goal. This is because the YES Program targets Muslim youth. In Malaysia, the YES Program is being carried out by American Field Service (AFS) Antarabudaya Malaysia and as of 2010 the program is in its sixth year. From January to July 2010, forty Malaysian students, which included four students who are hearing impaired, had the opportunity to study in an American high school.65 That same year, thirty-one students from Indonesia were selected to participate in the YES Program, which is in its seventh year. The Indonesian participants chosen were invited to lunch at the Consul General’s home. These students are representatives from the Bina AntarBudaya Foundation, which partners the U.S. Department of State in implementing the program.66 During her opening remarks at this luncheon, Consul General Caryn McClelland noted that the event celebrated the students’ achievements and opportunities.67 She also said ‘the YES program is about increasing cross-cultural understanding, not only for Indonesians but also for the American families and communities where they will live.’68

In Thailand, the YES Program is implemented by the AFS Intercultural Programs Thailand but it is administered differently. The program arranges educational and cultural


67 Ibid.

68 Ibid.
exchange programs for Thai Muslims aged 15 to 45. Every year, it provides three full scholarships, including airfare to Thai Muslims going to the three following countries: Germany, the U.S. and South Africa. It also provides thirty partial scholarships to Thai Muslims going to an additional fourteen countries. There are usually 150 students every year joining the program and they go to all 17 countries; however, the majority goes to the U.S. The goal of this cultural exchange program is to provide students, host families, schools, and communities with a quality experience that will not only enhance personal growth, but also will establish lasting friendships.

In the Philippines, the YES program is being put into action by the American Field Service-Intercultural Programs Philippines (AFS–IPP) and its alumni association. The program provides full scholarships for one-year of living and studying in the U.S. Upon their return to the Philippines, the students are expected to apply these leadership skills when they begin working and participating in civil society. Overall, the YES Program is an important program given that it targets Muslim populations. Therefore, the Obama Administration is happy to continue the program and is working to expand it. In particular, on July 16, 2010, in Washington D.C., Secretary Clinton gave a speech to YES participants praising them for their courage and expressed her pleasure with the program, especially since it facilitates an exchange that allows both sides to

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70 Ibid.

71 Ibid.

72 Ibid.

find a commonality and mutual respect for one another. Since the program is so popular, the U.S. is currently working to send U.S. students abroad in the 2011-2012 school year. In terms of sending students to Southeast Asia, U.S. students will have the opportunity to study in Indonesia, Malaysia and Thailand.

The Lower Mekong Initiative (LMI)

The LMI was created in response to the July 23, 2009 meeting in Laguna Phuket, Thailand, between Secretary of State Clinton and the Foreign Ministers of the Lower Mekong Countries—Cambodia, Laos, Thailand and Vietnam. Although the LMI has economic aspects, it has more socio-cultural aspects, which is why it is included in this section. These socio-cultural aspects are initiatives designed to improve environmental concerns, healthcare, and educational facilities in the participating countries. In 2010, the U.S. allocated approximately $187 million on projects to lessen the impact of climate change on water resources, food security, health, and livelihoods. This project involves helping nearly 60 million people in this region. The U.S. considers this initiative highly important because it serves to help manage the Lower Mekong River and protect it from threats like climate change and infectious disease, which is a transnational challenge.

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75 Ibid.


78 Ibid.
The LMI will include two initiatives that seek to improve the environment and health of the people in the Lower Mekong region. One initiative is a three-year program to assist the four countries to develop strategies to address the impact of climate change. Another initiative is the funding of a two-year research program among universities in the Lower Mekong countries to study persistent organic pollutants in the basin. However, the largest share of the funding, in 2010, is $147 million for health improvement programs that include a project targeting emerging pandemic threats in the region. The project will improve the identification of, and response to, new public health threats that originate in animals. It aims to strengthen animal and human health systems to stop outbreaks of infectious diseases. Thus, the LMI is being launched to respond to infectious diseases by training healthcare professionals and veterinarians to detect, track and contain outbreaks, and to establish a regional network to detect drug-resistant malaria.

Besides these programs, the U.S. will work to reduce HIV/AIDS and develop education in the Lower Mekong area. In particular, U.S. assistance has provided HIV/AIDS treatment and prevention services to more than 2 million people across the Mekong region. This has contributed to a 50 percent reduction in the HIV/AIDS infection rate in Cambodia, facilitated the provision of antiretroviral treatments in Vietnam and supported the largest clinical trial of a vaccine regimen for preventing HIV infection in Thailand. In addition to the HIV/AIDS programs, the initiative will include $18 million for education projects like Internet availability

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79 Ibid.
80 Ibid.
81 Ibid.
82 Ibid.
83 Ibid.
84 Ibid.
85 Ibid.
for poor and rural areas and a program to bring regional professionals in education, environment and health to the United States to consult with professionals in their fields.\textsuperscript{86} The initiative also supports English-language training through in-country scholarships that help professionals improve communications regionally and internationally.\textsuperscript{87} The LMI is an ambitious new development in the socio-cultural aspect of President Obama’s re-engagement policy. Its ability to generate a new level of cooperation between the U.S. and the Lower Mekong countries is confirmation that the Obama Administration is working hard to improve its overall relations with the region.

Section V: Conclusion

To conclude, the Obama Administration, in its second year, continued its efforts to further its re-engagement policy with ASEAN on the political-security, trade, and socio-cultural levels. On the political-security level, Secretary Clinton maintained U.S. participation in ASEAN’s multilateral institutions when she attended the ARF Meeting on July 23, 2010 in Hanoi, Vietnam. At the meeting, she was able to increase America’s involvement by introducing a U.S.-led initiative on the South China Sea. In this initiative she called for all parties to work together to end the disputes peacefully and diplomatically. ASEAN members, especially Vietnam, appreciated the U.S. support in helping to resolve these disputes. Additionally, the administration demonstrated continuity in its re-engagement policy when on September 24, 2010, President Obama hosted the 2\textsuperscript{nd} U.S.-ASEAN Summit in New York City, which allowed the president and the ASEAN leaders to discuss various pertinent issues. To further expand U.S.-ASEAN political-security ties, Secretary of Defense Robert Gates attended the ADMM Plus Meeting in Hanoi. Furthermore, Secretary Clinton attended the East Asia Summit (EAS) meeting as a guest of Vietnam. At the Summit, Clinton acknowledged the importance of the EAS and her attendance

\textsuperscript{86} Ibid.

\textsuperscript{87} Ibid.
paved the way for U.S. membership in the EAS in 2011. Moreover, from November 9-10, 2010, President Obama was at last able to make his highly anticipated trip to Indonesia, after missing several previously scheduled trips. During this visit, President Obama and President Yudhuyono signed the U.S.-Indonesia Comprehensive Partnership, to advance U.S.-ASEAN and U.S.-Indonesian ties. This Comprehensive Partnership is significant in that it seeks cooperation on a broad range of issues that include science and technology, entrepreneurship, education and student exchanges, regional democracy promotion, and interfaith dialogue.

On the trade level, in 2010, President Obama showed continuity in his policy when he attended the APEC Forum. The focus of the meeting was on a Free Trade Area in the Asia-Pacific and President Obama pledged to expand the ASEAN TIFA. That year, his administration continued in its aspirations of becoming a TPP member and participated in the fourth round of TPP negotiations. President Obama proposed that a TPP agreement be concluded by the 2011 APEC Meeting. In terms of socio-cultural ties, his administration continued its educational exchanges with ASEAN, including the YES Program. The administration is very pleased with this program and is working to expand it. The Obama Administration also established the Lower Mekong Initiative between the U.S. and the Lower Mekong countries—Cambodia, Laos, Thailand, and Vietnam—to improve the lives of the people in these ASEAN nations. This program is very important as it hopes to better the environment, healthcare, and educational facilities in this area.

Although there was continuity in the Obama Administration’s re-engagement policy, there was some change in its approach in that it took a more active role in 2010. For example, Secretary Clinton was more assertive in increasing U.S. involvement in handling territorial disputes such as the Spratly Islands in the South China Sea. Some ASEAN nations desired U.S. support on this issue and they were not disappointed with the U.S. initiative to try to resolve the disputes peacefully. The Obama Administration also exhibited signs of change in its policy towards Myanmar. In 2009, the administration announced its new policy for Myanmar that
includes engagement with and sanctions against the Myanmar Government. However, in 2010, Secretary Clinton threatened to enact more “rigorous sanctions” against the government when the elections held that November ended in unfavorable results and when the government did not release many political prisoners. On the whole, in 2010 the U.S.-ASEAN relationship progressed in a positive direction. As the next chapter will show, 2011 poses a challenging year for the relationship as President Obama will be closer to facing re-election in 2012. Nonetheless, the Southeast Asian region will continue to be a priority for his administration in 2011.
CHAPTER V
U.S.-ASEAN RELATIONS IN 2011, OBAMA’S THIRD YEAR AS PRESIDENT

Presently in 2011, President Obama seeks to continue his administration’s momentum to build upon the foundation already put in place during the first two years of his presidency to strengthen U.S.-ASEAN ties. The aim of Chapter V is to examine the present U.S. bilateral relationship with each individual ASEAN country. Since ASEAN is made up of ten individual countries, an assessment of U.S. relations with each respective country is needed because these relations play a role in the overall U.S.-ASEAN relationship. The scope of the chapter will be roughly six months while the organization is in four main sections. Section I, the Introduction, notes that the ten ASEAN states can be divided into two groups, insular states, and mainland states, and that 2011 is an important year in the U.S.-ASEAN relationship. Section II discusses America’s ties with the insular states of ASEAN, Brunei, Indonesia, Malaysia, the Philippines and Singapore, noting their political-security, trade, and socio-cultural relations. Section III reviews America’s relationship with the mainland states of ASEAN, Myanmar, Cambodia, Laos, Thailand and Vietnam, as well as their political-security, trade, and socio-cultural ties. Section IV concludes with some general comments on the current status of U.S.-ASEAN relations.

Section I: Introduction

Of the ten ASEAN states, the insular states are Brunei, Indonesia, Malaysia, the Philippines and Singapore while the mainland states are Myanmar, Cambodia, Laos, Thailand and Vietnam. Of the founding members of ASEAN, Indonesia, Malaysia, the Philippines, and Singapore are insular states while Thailand is a mainland state. Only two of the ten ASEAN states are treaty allies of the United States—Thailand and the Philippines. Both signed the SEATO Treaty in 1954 and both collaborated closely with the United States during the Vietnam War. More recently, they have sent troops to Afghanistan and Iraq. The ASEAN states do vary in size; the smallest are Brunei and Singapore while Indonesia is the largest. Brunei has a population of
about 400,000 while Singapore has a population of about 5 million. Indonesia is made up 19,000 islands and has a population of 240 million. This year, 2011, is a pivotal time in Obama’s presidency as it is a year before the 2012 elections. To win this election, the president has to effectively handle both domestic and foreign concerns. Since he desires to create jobs overseas for America, he should link domestic and foreign affairs and forge a better relationship with Southeast Asia. By doing so, he can show ASEAN that America’s relationship with the regional organization is still a main priority for his administration.

Section II: U.S. Relations with the Insular States of ASEAN

Brunei

U.S.-Brunei political-security ties have remained steady. While Brunei is not plagued by terrorism, it continues to assist the U.S. in counterterrorism efforts. For example, on December 4, 2002, Brunei Darussalam acceded to the International Convention for the Suppression of the Financing of Terrorism.\(^1\) Also, security practitioners in the Government of Brunei are involved in decision making and regularly participate in courses offered by America’s Asia-Pacific Center for Security Studies (APCSS) in Honolulu, Hawaii. These courses include Transnational Security Cooperation, Advanced Security Cooperation, Comprehensive Security Responses to Terrorism, and Comprehensive Crisis Management.\(^2\) By participating in these courses, Brunei officials are able to better help pursue the common interests of peace and stability in the Southeast Asian region.

In 2011, the U.S. and Brunei are continuing their long established military relationship to include joint exercises and training. Specifically, on February 22, 2011, as part of the U.S.

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Embassy’s continued engagement to enhance exchanges between American and Bruneian officials, its Chargé d’Affaires, Mr. Alexander L. Barrasso, arranged for a Bruneian delegation to visit the aircraft carrier, *USS Abraham Lincoln*, then on deployment in the South China Sea. On this occasion, Chargé Barrasso stated “We are committed to strengthening bilateral ties, and take every opportunity to engage in all areas, especially economic, defense and education.” The purpose of this visit was for the U.S. ship to showcase firsthand what capabilities it offers to help maintain stability and security in the region.

U.S.-Brunei trade relations have also been steady, in large part because Brunei is a small but wealthy country. Both countries seek to expand their economic relationship, so they meet regularly under a Trade and Investment Framework Agreement (TIFA) signed on December 16, 2002, during the Bush Administration. The Obama Administration is continuing America’s TIFA with Brunei; the agreement addresses a range of bilateral issues and coordinates the two countries on WTO, ASEAN, and APEC initiatives. According to the most recent statistics, in 2009, Brunei was the ranked 8th amongst the ASEAN countries in two-way trade with the U.S. That year, Brunei was the United States’ 141st largest export market, with trade totaling $100 million while Brunei was the United States’ 140th largest supplier of imports, with trade totaling $42 million.

In addition to the TIFA, the Obama Administration seeks to improve U.S.-Brunei trade relations through the Trans-Pacific Partnership (TPP). Brunei is an original member of the TPP agreement, which it signed on June 3, 2005. The agreement entered into force on May 28, 2006. In

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4 Ibid.


6 Ibid.
2009, the United States joined TPP negotiations. In 2010, U.S.-Brunei relations continued to develop when Brunei hosted the third round of negotiations from October 5-8, 2010. These negotiations covered agriculture, intellectual property and environment, textiles, industrial goods, sanitary and phytosanitary standards, services, investments, and financial services.\(^7\) If the United States becomes a member of the TPP, U.S.-Brunei relations will grow since the Obama Administration is supporting the agreement to advance its economic interests in the Asia-Pacific region. U.S. exports are critical to America’s economic recovery and to the creation and retention of high-quality American jobs. Hopefully with President Obama’s call to set a target for settlement of negotiations by the end of the APEC summit in 2011, the TPP will be underway and both countries can begin to reap benefits.

As for U.S.-Brunei socio-cultural ties, they are strong and are on course to grow in 2011. From February 12-13, 2011, the U.S. Embassy hosted a booth at the Ministry of Education’s Open Day, held at the International Convention Center in Berakas.\(^8\) The event’s objective was to provide relevant and accurate information on higher education opportunities in the U.S. The following month, from March 4-7, 2011, crew members of the USS Reuben James, on port call in Brunei Darussalam, engaged in several community related projects. For instance, approximately ten sailors joined forces with the local Katakijau Humanitarian Relief Support Group in cleaning up the surroundings of 85 year old Haji Besar’s house in Kampung Mulaut.\(^9\) Moreover, on March 7, another group of 15 sailors volunteered to dig up soil to help make a drainage system for Pusat

\(^7\) Ibid.


Bahagia, a special needs center. So far, socio-cultural relations between the U.S. and Brunei have been constructive and are expected to continue over the course of the year.

Indonesia

On November 9, 2010, U.S.-Indonesia relations showed substantial progress when both countries ratified the U.S.-Indonesia Comprehensive Partnership, which represents a long-term commitment by them to broaden, deepen, and elevate their relationship. The main areas of cooperation in the partnership are science and technology, entrepreneurship, education and student exchanges, regional democracy promotion and interfaith dialogue. Since Indonesia is the current Chair of ASEAN’s Standing Committee in 2011, the U.S. will likely capitalize on this opportunity to further expand U.S. influence in the region.

On the political-security level, there is mutual cooperation in the area of counterterrorism. This cooperation has steadily increased since 2001 and is based on their common goal of maintaining peace, security, and stability in the region.

President Obama and President Yudhoyono held a press conference on November 9, 2010, where they announced:

We also underscore the importance of cooperation in the area of counterterrorism, where terrorism is an enemy for all nations and we must and we desire to strengthen cooperation in the context of law enforcement. In this regard, it will be an effective focus in our efforts to eradicate acts of terrorism.

10 Ibid.


However, despite bilateral cooperation, there is some U.S. skepticism about the effectiveness of Indonesia’s rehabilitation program for terrorists. In this connection, the U.S. is reluctant to return Hambali—a terrorist leader with links to Jemaah Islamiyah and Al-Qaeda—to Indonesian police officials if Guantanamo Bay is closed. In 2009, Indonesia had announced that it was prepared to try Hambali if he was returned to his homeland. So far, the United States has rejected Indonesia’s request to try Hambali in Indonesia.14

As with Brunei, the United States meets regularly with Indonesia under the auspices of a TIFA. The agreement with Indonesia was signed on July 16, 1996 during the Clinton Administration. Meanwhile, bilateral trade is growing. In 2009, Indonesia ranked 3rd amongst ASEAN countries in two-way trade with the United States. That year, Indonesia was the 35th largest U.S. market for goods, with total exports of $5.1 billion, and also the 25th largest supplier of goods to the U.S., with total imports of $12.9 billion.15 That year, the reported stock of U.S. Foreign Direct Investment (FDI) in Indonesia was $16.0 billion, a slight decrease from $16.3 billion in 2008.16 Despite Indonesia being 3rd out of the ASEAN nations in two-way trade with the U.S., the U.S. hopes to improve trade relations with Indonesia.

In 2011, the U.S.-Indonesia Comprehensive Partnership has begun to show progress on both the political-security and economic levels. For example, on February 2, the U.S. Agency for International Development (USAID) announced a new program it will implement to support good governance and foster economic growth in Indonesia. This is the Strengthening Integrity and Accountability Program (SIAP-1), a USAID program that will reinforce integrity and


15 Ibid.

16 Ibid.
accountability within government agencies, principally at the national level.\textsuperscript{17} The USAID will also work with the Government of Indonesia to reduce the influence of “money politics.” This will include “support for efforts to strengthen the regulation of political finance through effective oversight and enforcement.”\textsuperscript{18} SIAP-1 will work with key accountability agencies, such as the Corruption Eradication Commission (KPK) and the Supreme Audit Body (BPK) and is structured as a three-year program with the possibility of extension for two additional years, with a total funding ceiling of $13 million.\textsuperscript{19} SIAP-1 is an integral part of the U.S.-Indonesia Comprehensive Partnership in that it promotes government transparency and economic growth in Indonesia, which in the long-run will improve political-security and economic ties between the two countries.

In addition to the SIAP-1 program, U.S.-Indonesian economic ties are slated to increase under the Overseas Private Investment Corporation (OPIC) conference. During his November 2010 trip to Indonesia, President Obama revealed that the OPIC conference would be included in the U.S.-Indonesia Comprehensive Partnership and that the OPIC will “highlight new opportunities for partnership here and across the region.”\textsuperscript{20} In January 2011, the U.S. Government’s development finance agency announced that it would hold its seventh OPIC conference at the Shangri-La Hotel in Jakarta, Indonesia, from May 3 to 5, 2011.\textsuperscript{21} The conference


\textsuperscript{18} Ibid.

\textsuperscript{19} Ibid.


\textsuperscript{21} Ibid.
has been set to target emerging markets throughout Southeast Asia, including Indonesia, Malaysia, the Philippines, Thailand, Cambodia, Laos, Vietnam and Micronesia. Participants are expected to include “American businesses of all sizes seeking private equity, debt financing or partners for expansion into Southeast Asia; Southeast Asian companies seeking U.S. partners or capital; and U.S. and Southeast Asian financial institutions offering investment and trade finance to prospective investors.” The OPIC conference is important to the U.S. since its businesses wish to increase their investments in Indonesia. If these investment opportunities do materialize, there is a potential for economic growth in both countries in the near future.

U.S.-Indonesian socio-cultural ties have also improved under the Comprehensive Partnership, particularly in the area of educational exchange. For instance, on February 4, 2011, the USAID announced the formation of an alumni association for the graduates of its Human and Institutional Capacity Development (HICD) program. The HICD program “provides short and long term scholarships that cover studies in the United States in the fields of education, environment, economy, health, and government.” This new association will strengthen alumni ties and serve as a forum to discuss shared experiences and to give back to the local community. USAID Program Office Director John Packer said, “The U.S. Government strongly believes that student exchanges will have long-term benefits for both Indonesia and the United States.”

Additionally, socio-cultural relations are increasing as USAID continues its humanitarian aid to victims of the 2010 Mount Merapi eruptions. On March 7, 2011, USAID announced that it

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22 Ibid.
23 Ibid.
25 Ibid.
26 Ibid.
has provided $100,000 to UNESCO to restore the Borobudur temple after it was damaged during the eruptions as part of the U.S.-Indonesian Comprehensive Partnership.27 USAID will provide support for the “emergency cleanup, including retention of a large local workforce and purchase of equipment for the cleaning operation.”28 The same month, on March 8, 2011, USAID announced a new activity, the USAID Indonesia Urban Water, Sanitation and Hygiene (USAID IUWASH) Project, “a five-year, $33.7 million effort that will expand access to water and sanitation services to Indonesia’s urban poor, currently those with the most limited access to these services.”29 The project will promote the goals of the Comprehensive Partnership by improving urban water and sanitation services, thereby strengthening health and the quality of life of Indonesians.

Malaysia

The United States and Malaysia share a diverse and expanding relationship. The two countries cooperate closely on security matters, including counterterrorism, maritime disputes, and regional stability. The relationship between their militaries is also strong due to numerous exchanges, training programs, joint exercises, and visits.30 Security ties improved when Malaysia passed the Strategic Trade Act of 2010, which gives its government officials the authority to act against those involved in the design, development and production of weapons of mass


28 Ibid.


destruction. Also in 2010, Malaysia sent non-combat military personnel to Afghanistan.

However, despite this recent improvement in their security ties, human rights violations are still a major concern in their bilateral relationship. For example, one human rights concern is the caning of refugees and illegal immigrants. While most countries have abolished judicial caning, Malaysia has expanded the practice. The Malaysian Parliament has increased the number of offenses subject to caning to more than 60. As has been noted by Amnesty International, “Since 2002, when Parliament amended the Immigration Act 1959/63 to make immigration violations, such as illegal entry subject to caning, tens of thousands of refugees and migrant workers have been caned.”

Nonetheless, the topic is a sensitive one for Malaysia and other Southeast Asian countries. So, while political-security ties are increasing between the U.S. and Malaysia, human rights violations represent a sensitive area for them.

In terms of U.S.-Malaysian trade ties, in 2009 Malaysia ranked as 2nd amongst the ASEAN countries in two-way trade with the United States, after Singapore. That year, Malaysia was the United States’ 21st largest export market, with U.S. exports totaling $10.4 billion while Malaysia was the United States’ 13th largest supplier of goods, with its imports totaling $23.3 billion. In terms of investment, U.S. FDI in Malaysia was $13.5 billion in 2009, up from $8.9 billion in 2004, while Malaysian FDI in the United States was $430 million in 2009. In the meantime, both countries began negotiations on a Free Trade Agreement (FTA) in June 2006.

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32 Ibid.


35 Ibid.
last round of negotiations was held in Washington, D.C., in July 2008. While solid progress was achieved, significant work remains to conclude the agreement. Meanwhile, in October 2010, during the third round of TPP negotiations in Brunei Darussalam, Malaysia joined the United States and the seven other Asia-Pacific nations in these negotiations. Malaysia’s participation followed more than a year of high-level consultations between Malaysia the United States and the other TPP nations. Besides working together on the FTA and the TPP, the United States and Malaysia “meet frequently to discuss bilateral trade and investment issues and to coordinate approaches on APEC, ASEAN, and WTO proposals.”

The United States and Malaysia have a long history of socio-cultural exchanges through programs such as the Fulbright Scholarship Program and the Youth Exchange for Study (YES) Program. The YES Program is administered by Antarabudaya Malaysia, the local partner of the American Field Service (AFS). In 2010, the United States and Malaysia made concrete efforts to build upon these cultural exchange programs. Specifically, the Malaysian-American Commission on Educational Exchange (MACEE) established EducationUSA offices in Kuala Lumpur and Penang to actively promote United States higher education by offering educational opportunities in the United States. On March 2, 2011, EducationUSA collaborated with the sponsors of the American Educational Opportunities (AEO) Tour to provide valuable information

36 Ibid.
37 Ibid.
38 Ibid.
to some 400 students and family members at the Hilton Hotel at KL Sentral.\footnote{Ibid.} The establishment of EducationUSA, in addition to the YES Program and the Fulbright Scholarship Program fosters positive socio-cultural ties between the U.S. and Malaysia. This fostering of educational exchanges is important as it was a goal set during the first U.S.-ASEAN Summit held in Singapore in 2009.

Philippines

The Philippines shares a special history with the United States as it is the only ASEAN country that has been colonized by America. The Philippines is a U.S. treaty ally and has been a strong supporter in the U.S. fight against terrorism. They closely cooperate in fighting the terrorist groups in the Philippines, especially the Abu Sayyaf group. Since February 1998, they have had the Visiting Forces Agreement (VFA) for political-security reasons.\footnote{The U.S. Department of State, “Philippines,” http://www.state.gov/r/pa/ei/bgn/2794.htm (accessed March 13, 2011).} On January 10, 2011 at a ceremony at Villamor Airbase in Pasay City, U.S. Ambassador Harry K. Thomas, Jr. turned over five newly refurbished UH-1H or Huey helicopters to the Philippines through Lieutenant General Oscar H. Rabena, Commanding General, Philippine Air Force.\footnote{Embassy of the United States, Manila, Philippines, “U.S. Ambassador Harry K. Thomas, Jr. Turns Over 5 UH-1H Helicopters to the Armed Forces of the Philippines,” http://manila.usembassy.gov/us-ambassador-turns-over-hueys-to-afp.html (accessed March 12, 2011).} The turnover is part of the long-term commitment of the U.S. Government to assist the Philippine military’s modernization program. The aircraft have been delivered to assist the Philippine military in a number of areas, including counterterrorism. At the ceremony, Ambassador Thomas stated:

The aircraft you see today will increase the Philippine Air Force’s capability to move troops and supplies to counter threats of terrorism. They will also help humanitarian relief efforts by increasing the Philippine Air Force’s capability to conduct search and rescue
operations and deliver critical emergency relief supplies in times of natural disasters and calamities.\footnote{Ibid.}

To further strengthen political-security ties, in the same month both governments announced that they would hold the first-ever Bilateral Strategic Dialogue from January 27-28, 2011, in Manila. The Dialogue is aimed at enhancing their strong relationship by facilitating discussion and cooperation among their senior officials on bilateral, regional, and global issues. To Ambassador Thomas, it is “through this Dialogue that our two governments will affirm a commitment to our longstanding alliance and to continue our work as equal partners, discuss current challenges, and identify new areas for cooperation.”\footnote{Embassy of the United States, Manila, Philippines, “U.S. and Philippines To Hold Bilateral Strategic Dialogue,” http://manila.usembassy.gov/ushph_bid_lateral_strategic_dialogue.html (accessed March 12, 2011).} To Philippine Foreign Affairs Secretary Alberto Romulo, “The Dialogue affirms the strength of the Philippine-U.S. alliance and the dynamic partnership for peace, prosperity, security and stability.”\footnote{Ibid.}

Overall, the Dialogue adds another layer to the U.S.-Philippines relationship, on which the U.S. can build to strengthen its commitment to the Philippines. During a recent discussion with the international press concerning U.S. foreign policy goals in Southeast Asia in 2011, Assistant Secretary of State Kurt Campbell affirmed this sentiment when he stated, “This is the first time we’ve ever had such a dialogue to review areas of common purpose, to underscore our strong commitment to the security of the Philippines and to find areas that we can work together in the future.”\footnote{“U.S. Policy Goals in Southeast Asia,” VOA\textit{News}, http://www.voanews.com/policy/editorials/US-Policy-Goals-In-Southeast-Asia-116503048.html (accessed March 12, 2011).} He went on to say, “the United States plans to work closely with the Philippines on a
new program to identify areas of increased political, security and economic engagement, which will strengthen and deepen the U.S.-Philippines bilateral relationship.\footnote{Ibid.}

In terms of U.S.-Philippines trade ties, in 2009 the Philippines ranked 5\textsuperscript{th} amongst ASEAN countries in two-way trade with the U.S. That year, the Philippines was the 30th largest market for U.S. goods, with exports totaling $5.8 billion while the Philippines was the 34\textsuperscript{th} largest supplier of goods, with imports totaling $6.8 billion.\footnote{Office of the United States Trade Representative, “Philippines,” http://www.ustr.gov/countries-regions/southeast-asia-pacific/philippines (accessed March 12, 2011).} U.S. FDI in the Philippines was also $5.8 billion in 2009.\footnote{Ibid.} Meanwhile, the United States and the Philippines share a long-term TIFA that they signed on November 9, 1989, under the Reagan Administration.\footnote{Ibid.} The Obama Administration has continued with this TIFA. Under his administration, when Assistant U.S. Trade Representative Barbara Weisel visited the Philippines from September 27-28, 2010, to meet with senior officials of the new Benigno Aquino III government, both sides agreed to step up their engagement under the TIFA, with meetings to be held quarterly.\footnote{Ibid.} This development is significant for the Obama Administration in that it can use these meetings to reach agreement on a U.S.-Philippine FTA for more trade.

The historical and cultural links between the Philippines and the United States remain strong, especially in the area of educational exchanges. In 2011, it will be 63 years that the Philippines Fulbright Program has been in existence, fostering educational exchanges between the two countries. This Program is presently expanding to include new opportunities for study in the U.S. For instance, the Philippine-American Educational Foundation (PAEF) is pleased to
announce the start of the competition for the 2012-2013 Fulbright-Philippine Agriculture Scholarship Program (FPASP). The Foundation will award Advanced Research grants to Filipino students to complete graduate study in agriculture in the U.S. In addition to the educational exchanges, 2011 commemorates five decades of development partnership between USAID and the Philippines. To recognize the major accomplishments of this partnership and to honor the Philippine women who have been beneficiaries of the USAID sponsored programs, U.S. Ambassador Harry K. Thomas, Jr. hosted a reception on International Women’s Day, March 8, in Manila. The women honored were a diverse group, representing the Philippine government, private sector, civil society, and academe. According to USAID Philippines Director Gloria Steele, USAID and its partner organizations will host additional commemorative activities and events throughout 2011, with a grand culminating Fiesta in November at the Mall of Asia in Pasay, Philippines. Overall, U.S.-Philippine socio-cultural relations are increasing in the area of educational exchanges and show promise of remaining strong as both countries celebrate fifty years of socio-cultural ties between them.

Singapore

Singapore is the only first-world nation among the ten ASEAN states. While there are no U.S. bases in Singapore, their political-security ties are very strong as Singapore offers port facilities to the U.S. and is a strong ASEAN partner in America’s fight against terrorism.

Moreover, Singapore is a signatory to the International Convention for the Suppression of the


55 Ibid.
Financing of Terrorism, which it signed on December 18, 2001. Singapore’s efforts to maintain economic growth and political stability and its support for regional cooperation harmonize with America’s policy in the region and have resulted in amicable relations.

In terms of U.S.-Singapore trade ties, in 2009 Singapore ranked 1st amongst the ASEAN nations in two-way trade with the U.S. In 2010, Singapore was the United States’ 10th largest export market, up from 11th place in 2009. U.S. exports to Singapore rose 30.5 percent, from $22.3 billion in 2009 to $29.1 billion in 2010 while Singapore’s exports to the United States rose 11.5 percent to $17.5 billion in 2009. U.S. FDI in Singapore stock was $76.9 billion in 2009, a 10.7% decrease from 2008 while Singapore FDI in the United States stock was $2.9 billion in 2009, a 0.8% decrease from 2008. Regarding the TPP, Singapore, like Brunei, is an original member. The United States is currently participating in TPP negotiations and plans to become a member of the TPP agreement as a way to improve U.S.-ASEAN relations, including those with Singapore. If the United States does become a member of the TPP, it will have an “opportunity to partner with an economically-significant group of countries that share in its vision of negotiating a high-standard, 21st century regional agreement.” Since the Obama Administration’s 2011 trade policy is geared towards creating American jobs and opening world

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59 Ibid.

60 Ibid.
markets for American goods, the TPP countries, including Singapore, can help provide viable ways to accomplish this goal.

On the socio-cultural level, U.S.-Singapore ties continue to progress in the area of educational exchanges. In January 2011, the U.S. Embassy in Singapore announced its 2012-13 annual competition for Fulbright grants for Singapore citizens to study in the United States. For this academic year, only a limited number of partial grants will be available as the number of scholarships given will depend on funding. Nevertheless, the Singapore “program operates on the principles of autonomy and open competition based on individual merit, without regard to the individual’s institutional affiliation, race, color or creed.” The objective of the grant is to enable the recipient to pursue a particular field of study and to develop leaders who can contribute to promoting better understanding between the United States and Singapore. In addition to U.S.-Singapore educational exchanges, the U.S. sends diplomatic envoys to Singapore. In this connection, two-time Olympic medalist and five-time world champion Michelle Kwan visited Singapore from January 9-15, 2011, on behalf of the U.S. Department of State’s Bureau of Educational and Cultural Affairs. While there, Kwan conducted three skating clinics, engaged with several groups of students, and met with members of the Singapore National Olympic Committee as well as with senior-level government officials from the Ministry of Community Development, Youth, and Sports. On the whole, socio-cultural ties are continuing between the

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62 Ibid.

63 Ibid.


65 Ibid.
two countries as the U.S. sends diplomatic envoys to Singapore as a way of showing that it is committed to the continuation in these types of relations.

Section III: U.S. Relations with the Mainland States of ASEAN

Myanmar

Under the Bush Administration, the United States imposed broad sanctions against Myanmar. The Obama Administration has sought a different approach towards that country, which includes both engagement and sanctions in its policy. Presently, the Obama Administration is disappointed with the November 7, 2010 election in Myanmar, the first national elections in 20 years, and has called the elections a sham because the military is still firmly in control. The elections resulted in the pro-junta Union Solidarity and Development Party (USDP) as the winner after gaining 76.5 percent of the 1,142 seats in the parliament. The National Unity Party (NUP), with close ties to the ruling junta, was runner-up and won 5.7 percent of the seats. Soon after the election, on November 13, 2010, the military junta released longtime political prisoner, Aung San Suu Kyi. President Obama was glad about her release from jail but he wants more political prisoners to be freed. With the army still in control since 1962 and no progress on the freeing of other political prisoners, the U.S. has threatened to impose sanctions against the government. So, in 2011, Myanmar remains a major concern for the Obama Administration.

Cambodia

In the past 3 years, bilateral relations between the U.S. and Cambodia have deepened and broadened. This is because the U.S. is assisting the Cambodian Government in its efforts to combat terrorism, reduce the prevalence of HIV/AIDS, build democratic institutions, promote human rights, foster economic development, eliminate corruption and trafficking in persons, and

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67 Ibid.
bring to justice those most responsible for serious crimes committed under the Khmer Rouge regime.\textsuperscript{68} From October 30 to November 1, 2010, Secretary of State Hilary Clinton had the opportunity to visit Cambodia. While there, Clinton called on the Cambodian Government to improve its human rights record and to become less dependent on China.\textsuperscript{69} The Obama Administration is pleased with Cambodia for holding its first trial for the Khmer Rouge leaders and for scheduling a second trial in 2011.

U.S.-Cambodian political-security ties have also improved. For instance, on January 31, 2011, the U. S. Office of the Secretary of Defense and the Royal Cambodian Armed Forces (RCAF) conducted their inaugural U.S.-Cambodia Defense Policy Discussion in Phnom Penh. The objective of this discussion was to “highlight the U.S. Department of Defense’s commitment to assist the RCAF to develop a professional force and to encourage Cambodia to continue on a path of improved transparency, governance, commitment to the rule of law, sustained democratic development, and respect for human rights.”\textsuperscript{70} The Defense Policy Discussion highlighted areas of bilateral cooperation and covered domestic and regional security issues of mutual concern, including defense reform, professional military education, humanitarian assistance and disaster management, regional affairs, counter-narcotics, counter-terrorism, and regional security mechanisms.\textsuperscript{71}


\textsuperscript{71} Ibid.
As for U.S.-Cambodia trade relations, they are growing. In 2009, Cambodia was ranked the 6th largest amongst the ASEAN countries in two-way trade with the U.S. That year, Cambodia was the United States’ 135th largest export market, with $127 million in U.S. exports while Cambodia was the United States’ 63rd largest supplier of imports, with $1.92 million in imports from Cambodia.\textsuperscript{72} Like other ASEAN countries, the United States and Cambodia signed a TIFA on July 14, 2006 during the Bush Administration. The Obama Administration is working through the TIFA; both countries are meeting regularly to make progress on trade- and investment-related issues through a joint work program established under the TIFA.\textsuperscript{73} Since Cambodia is not a current ASEAN negotiating member of the TPP, the Obama Administration should persist in stressing the TIFA so it can work to acquire a FTA with Cambodia as a way of increasing trade between the two countries.

In order to develop U.S.-Cambodian socio-cultural ties, in February 2007, the U.S. lifted its ten year ban on direct assistance to the Cambodian Government, allowing more direct technical assistance for Cambodia.\textsuperscript{74} With the ban lifted, in 2009 U.S. assistance to Cambodia was administered by the USAID mission. This aid totaled nearly $62 million for programs in health, education, governance, and economic growth.\textsuperscript{75} On January 10, 2011, the United States Government, through the USAID, awarded Cambodia a five-year, $56 million contract designed to improve food security through enhanced agricultural development and rational management of natural resources.\textsuperscript{76} This U.S. Government award will serve as USAID’s “flagship for food

\textsuperscript{72} Ibid.

\textsuperscript{73} Ibid.


security activity in Cambodia, under the Helping Address Rural Vulnerabilities and Ecosystem Stability (HARVEST) Project.”77 The USAID will work with “public, private and civil society to strengthen food security by increasing agricultural productivity; raising the incomes of the rural poor; preparing the country to adapt to climate change; and reducing the number of Cambodians, especially women and children, suffering from malnutrition.”78 Thus, by lifting its ten-year ban, the U.S. is now making significant progress in improving its socio-cultural ties with Cambodia, especially through this new USAID program in 2011.

Laos

Although diplomatic relations have improved in the 21st century, the accounting for Americans missing in Laos from the Vietnam War is still a special focus in the bilateral relationship.79 Since the late 1980s, joint U.S. and Lao teams have conducted a series of excavations and investigations of sites related to cases of Americans missing in Laos. More recently, in 2008, the U.S. reestablished a Defense Attache Office at its Embassy in Vientiane.80 Presently, to build on its progress in political-security ties, the U.S. is providing assistance to the Laotian police to fight the drug war. For example, on March 4, 2011, U.S. Ambassador Karen B. Stewart and the Minister to the Prime Minister’s Office and the Chairman of the Lao National Commission for Drug Control and Supervision (LCDC), Soubanh Srithirath, participated in a hand-over ceremony of 21 motorcycles donated by the U.S.81 The motorcycles will be used by the

76 Ibid.
77 Ibid.
78 Ibid.
80 Ibid.
81 Ibid.
provincial counter narcotics police units and the Counter Narcotics Police Department (CNPD) in Vientiane to assist with the “deterrence, investigation, and arrest of narcotics traffickers and other law violators.” Such U.S. contributions are part of an ongoing and longstanding cooperation between Lao PDR and the United States in fighting the trafficking of illegal drugs.

In terms of trade, as of 2009, Laos was ranked 9th amongst ASEAN nations in two-way trade with the United States, with their trade totaling $63.7 million. That year, U.S. exports to Laos totaled $20.3 million while U.S. imports from Laos amounted to $43.4 million. Also, U.S. and Laos officials regularly meet to advance trade and investment issues, including the implementation by Laos of the 2005 Bilateral Trade Agreement (BTA). Under the BTA, the United States extended Normal Trade Relations status to products of Laos. Laos has also agreed to implement a variety of reforms to its trade regime, “including most favored nation and national treatment for products of the United States, transparency in rulemaking, the establishment of a regime to protect intellectual property rights, and the implementation of WTO-compliant customs regulations and procedures.” Therefore, the U.S. is a strong supporter of Laos’ accession to the World Trade Organization (WTO). As of 2011, the U.S. is still working with Laos to help it become a member of the WTO.

In addition to the Lower Mekong Initiative implemented by the U.S. in 2010, the United States has increased its overall socio-cultural ties with Laos. For example, on February 28, 2011,

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82 Ibid.


84 Ibid.

85 Ibid.
U.S. Ambassador to Laos, Karen Brevard Stewart, participated in a ceremony to hand over more than 1,000 metric tons of food in support of Phase Three of the Safe Education Opportunities Project.86 “The donated commodities of corn-soy blend, canned salmon, rice, beans and vegetable oil are for distribution of mid-morning snacks and take-home rations to approximately 19,600 students and 540 teachers in Khammouane province.”87 Another example of expanding socio-cultural ties took place on March 3, 2011, when the National Emerging Infectious Diseases Coordination Office (NEIDCO) signed a Memorandum of Understanding with a USAID-funded contractor, the Academy for Educational Development (AED), to help strengthen the Laos’ infectious disease prevention and control programs.88 Under this agreement, AED “will help develop, refine and consolidate communication strategies that address the prevention of, and the response to, current and emerging infectious diseases, targeting populations most at risk of infection across the Greater Mekong Sub-region.”89 These new programs show that the U.S. is supporting socio-cultural with Laos to improve the quality of life for the Laotian people and as a way of building its political-security and economic relations with the country.

Thailand

Thailand and the U.S. became treaty allies in 1954 when both signed the Manila Pact under the former Southeast Asia Treaty Organization (SEATO).90 U.S.-Thai political security ties


87 Ibid.


89 Ibid.

have been consistent in that Thailand is a firm supporter of the U.S. fight against terrorism. However, since 2006, the relationship has been unstable, as the then premier, Thaksin Shinawatra, was deposed that September by the military. There has been political turmoil since then, with hostilities between two main factions, the supporters of Thaksin and the supporters of the present premier, Abhisit Vejjajiva. In 2010, Thailand faced further political turmoil from March to May when tens of thousands of protesters, supporters of Thaksin, who call themselves the Red Shirts, descended on Bangkok demanding that Prime Minister Abhisit resign and that new elections be held.\footnote{Ernest Bower, “Special Edition–2010 Year in Review,” http://csis.org/files/publication/110202_SoutheastAsiaNewsletter.pdf (accessed March 13, 2011).}


Though the political unrest has subsided, Thailand’s political-security situation continues to be closely watched by the Obama Administration.

On the economic front, the United States and Thailand have worked to expand their commercial relations. In 2009, Thailand ranked 6th amongst ASEAN nations in trade with the U.S. That year, Thailand was the United States’ 29th largest export market while Thailand was the 18th largest supplier of imports to the United States. In terms of investments, U.S. FDI, in Thailand totaled $10.2 billion in 2009, up from $7.6 billion in 2004.\footnote{Ibid.}


The partnership seeks to
emphasize innovative industry and to identify new opportunities for collaborative endeavors between the two countries. In line with the Thai Government’s Creative Economy policies, this formal partnership effort intends to spur increased productivity while re-emphasizing the beneficial aspects of America’s presence in Thailand. This partnership demonstrates the progress in the U.S-Thai economic relationship, a trend that is likely to continue.

As for socio-cultural relations between the U.S. and Thailand, these have been stable as the U.S. Embassy in Bangkok conducts and facilitates educational and cultural exchange programs in Thailand on behalf of the U.S. Government. These programs include the Fulbright Program that aims to strengthen understanding and communication between the United States and other nations by funding a variety of educational exchanges. The International Visitors Leadership Program is another program that emphasizes an increase in mutual understanding through communication at the personal and professional levels. Yet another example is the Global Undergraduate Exchange Program which provides scholarships for one semester or one academic year to outstanding undergraduate students from underrepresented sectors in certain regions of the world. These scholarships are for non-degree full-time study combined with community service, internships and cultural enrichment. These programs provide the U.S. and Thailand with opportunities to further mutual understanding between them.

Vietnam

U.S. relations with Vietnam have become increasingly cooperative and broad-based in the years since their political normalization in 1995. Under the Bush Administration, in October 2008, the U.S. and Vietnam inaugurated annual political-military talks and policy planning talks to

95 Ibid.


97 Ibid
consult on regional security and strategic issues. Under the Obama Administration, in August 2010, the U.S. Department of Defense and Vietnam’s Ministry of Defense held the first round of high-level annual defense talks, known as the ADMM Plus Eight. Vietnam served as the Chair of the ASEAN Standing Committee from 2010-2011 and hosted several ASEAN meetings. At the ARF Meeting, the East Asia Summit, the ADMM Plus Eight, and the 2nd U.S.-ASEAN Summit, Vietnam sought America’s assistance vis-à-vis China on the South China dispute. Meanwhile, human rights issues remain a major concern in U.S.-Vietnam ties as Vietnam has used strict regulations to restrict internet usage, has violated the freedom of speech and the freedom of the press, and has ill-treated Central Highland ethnic minorities. The Obama Administration has called for an end to these abuses. However, as in relations with Malaysia, it has not issued strict policy statements because it wants to continue on a path of progress and to keep communication open. Overall, political-security ties have increased in U.S.-Vietnam relations, especially in 2010, and should continue in 2011.

Regarding trade ties, in 2009, Vietnam ranked 4th amongst ASEAN countries in two-way trade with the U.S. The total two-way trade between them was $15.4 billion that year with exports totaling $3.1 billion. In 2009, U.S. exports to Vietnam were $3.1 billion while Vietnam imports to the United States were a total of $12.3 billion. The stock of U.S. FDI in Vietnam was $473 million in 2008, up 11 percent from 2007. Vietnam FDI in the United States totaled $6 million in 2008. Vietnam and the United States are also partners in the ongoing TPP negotiations. Through

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100 Ibid.

101 Ibid.
these negotiations, the United States is seeking to achieve a high-standard broad-based regional trade agreement that will serve as a platform for regional economic integration.  

U.S.-Vietnamese socio-cultural ties continue to show progress in the area of educational exchanges. Presently, Vietnam is the recipient of the most Fulbright scholarships among the ASEAN countries. In January 2011, the U.S. Embassy in Vietnam announced the 2012 International Fulbright Science and Technology Ph.D. Program for Vietnam. Successful candidates will receive assistance in gaining admission to prestigious U.S. institutions and three years of fiscal support. This support includes academic tuition and fee coverage, a monthly living stipend, a book and supplies allowance, conference and research allowances, health and accident coverage, round trip airfare from home country to the United States, and specially tailored enrichment activities. Sponsored by the Bureau of Educational and Cultural Affairs of the U.S. Department of State, the Program is designed to become the most prestigious international scholarships in science and technology. Approximately 40 awards will be awarded worldwide for candidates who demonstrate unique aptitude and innovation in scientific fields. Vietnam can nominate up to three candidates for the Program. Successful candidates will start the Ph.D. degree Program in academic year 2012-2013.

Section IV: Conclusion

On the whole, the Obama Administration is off to a good start with its relations with ASEAN. These bilateral relationships are important because they do affect U.S.-ASEAN ties in general. As for U.S. bilateral relations with the insular states of ASEAN, the best ties seem to be with Indonesia because of President Obama’s personal connections, his childhood years there, and

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102 Ibid.


104 Ibid

105 Ibid.
his U.S.-Indonesia Comprehensive Partnership. The next best U.S. bilateral relationship in insular Southeast Asia is with Singapore, which provides it with base facilities, is a strong partner in fighting terrorism, and is the only ASEAN nation to have signed a FTA with America. However, the Philippines will remain important to the U.S. as it is a treaty ally and has a long history with the United States. As for the U.S. bilateral relationships with the mainland states of ASEAN, the worse relationship is with Myanmar because of its very long military rule and its human rights abuses. The best U.S. bilateral relationship in mainland Southeast Asia is with Vietnam due to their growing cooperation on the political, economic, and social levels, although there are some tensions over human rights. The next best U.S. bilateral relations in mainland Southeast Asia is with Thailand as it has a close relationship with the U.S. because it is a treaty ally and it is a vital partner in the fight against terrorism. Regarding Cambodia, the Obama Administration will continue working to expand its bilateral relationship since it would like Cambodia to be less dependent on China. Because the territorial disputes over the Spratly Islands have yet to be resolved, the U.S. will continue to back Vietnam and the other Southeast Asian nations who have territorial claims in the South China Sea. Overall, in 2011, except for Myanmar, U.S. bilateral relations with the ASEAN nations are progressing well and can be expected to grow.
CHAPTER VI
CONCLUSION: AN ASSESSMENT OF PRESIDENT OBAMA’S RE-ENGAGEMENT POLICY WITH ASEAN, 2009-2011

The aim of Chapter VI is to provide an overall evaluation of the Obama Administration’s re-engagement policy with ASEAN since 2009. The scope is therefore a period of two-and-a-half years while the organization is in four sections. Section I will review the cooperation in U.S.-ASEAN relations under the main headings of political-security, trade, and socio-cultural ties while Section II will assess the tension in the relationship under the same three headings. Section III will then discuss future prospects for U.S.-ASEAN relations. Section IV will conclude by summarizing the overall U.S.-ASEAN relationship under President Obama.

Section I: U.S.-ASEAN Cooperation, 2009-2011

The United States and ASEAN have shown that they have forged cooperation in all three areas of Obama’s re-engagement policy, in political-security, trade, and socio-cultural ties. In terms of political-security cooperation, President Obama first began making overtures to the Muslim populations including those in the ASEAN nations, when he gave his Cairo address on June 4, 2009 in Cairo, Egypt. Next, his administration ratified ASEAN’s Treaty of Amity and Cooperation, on July 22, 2009, in Laguna Phuket, Thailand. This move was much appreciated by the ASEAN leaders as it clearly showed that the Obama Administration, unlike the George W. Bush Administration, wanted a better relationship with Southeast Asia. The signing of the TAC also satisfied ASEAN’s requirement for U.S. participation in the East Asia Summit (EAS). Hence, Secretary Clinton was able to attend the EAS in Hanoi, in July 2010, as a guest of Vietnams. In 2011, the United States will be an official participating member of the EAS. The Obama Administration has also demonstrated high commitment to the multilateral institutions that are affiliated with ASEAN, such as the ARF and APEC. For example, Secretary Clinton has been consistent in attending the ARF Meetings— in 2009 in Laguna Phuket, Thailand, and in 2010, in
Hanoi, Vietnam. Likewise, President Obama has attended the APEC Forums—in 2009, in Singapore, and in 2010, in Yokohama, Japan.

Moreover, officials of the Obama Administration made several visits to the ASEAN states. For example, Secretary Clinton visited Cambodia, Indonesia, Malaysia, Thailand, and Vietnam in 2009 and 2010 while President Obama visited Singapore and Indonesia during the same period. During Clinton’s 2010 visit to Vietnam, Vietnamese Foreign Minister Pham Gia Khiem presented her with wedding gifts for her daughter Chelsea Clinton. The gifts included a white tablecloth and a gemstone mosaic portrait of her and Chelsea during their 2000 visit to the country. The gifts demonstrate the close personal relationship Clinton and her family have with the Vietnamese people. There have also been high-level official visits to Southeast Asia by other U.S. officials, such as Secretary of Defense Robert Gates’ visits to Malaysia and Vietnam in 2010. The visit to Vietnam was to attend the ASEAN Defense Ministers Meeting (ADMM) Plus. Vietnam welcomed U.S. attendance at the ADMM Plus meeting and appreciated U.S. support for Vietnam’s and ASEAN’s desire to peacefully resolve the Spratly Islands dispute. This U.S. support and visits by Secretary Clinton and Secretary Gates to Vietnam have led to the cementing of ties between the two countries.

Furthermore, the U.S. hosted the first and second U.S.-ASEAN Summits, in Singapore in 2009 and in New York City, in 2010. Both summits led to pledges on cooperation in a number of areas. For instance, during the first summit, U.S. and ASEAN leaders agreed to foster deeper cooperation to promote science and technology, educational exchanges, and people-to-people interactions. At the first summit, President Obama was also able to garner ASEAN’s support for his new policy towards Myanmar, which calls for engagement and sanctions against the Myanmar Government. He and the ASEAN leaders agreed to press Myanmar to hold fair and free elections during its November 2010 elections. Additionally, President Obama announced that he would appoint a U.S. Ambassador for ASEAN Affairs to be resident in Jakarta. In his first year,
President Obama kept Scot Marciel, a Bush appointee, as the U.S. Ambassador to ASEAN but he was based in the United States. Obama later appointed Marciel to be U.S. Ambassador of Indonesia on August 10, 2010. After the second summit in 2010, President Obama nominated David L. Carden to be the first U.S. Ambassador to ASEAN stationed in Jakarta.

Because of President Obama’s intimate connection to Indonesia, as he spent part of his childhood there, he has been very keen to expand U.S.-Indonesian ties. This has led to both countries ratifying the U.S-Indonesia Comprehensive Partnership in November 2010. So far, the partnership has already begun to show substantial progress on several levels. For example, on the political-security level, a USAID program called Strengthening Integrity and Accountability Program (SIAP-1), is being implemented to reinforce integrity and accountability within government agencies. On the trade level, the Overseas Private Investment Corporation (OPIC) Conference will be hosted in May 2011 to highlight new investment opportunities for U.S. businesses in Indonesia and in the region. On the socio-cultural level, the USAID has been administering humanitarian aid to victims of volcano eruptions. USAID has also been providing scholarships to Indonesian students to study in the U.S. through its Human and Institutional Capacity Development (HICD) program in addition to America’s other educational programs such as the Fulbright Scholarship Program and the YES Program.

Regarding trade cooperation, a new initiative under the Obama Administration is the Trans-Pacific Partnership (TPP). Of the ASEAN states, Brunei and Singapore are original members of the TPP while the U.S., Malaysia, and Vietnam have joined negotiations to become members of this partnership. The U.S. is strongly backing the TPP and is likely to end up as a member. The Obama Administration is hoping that the TPP agreement will boost America’s trade relations with the other members since the agreement can create more markets for U.S goods as well as create American jobs. At the same time, the Obama Administration continues to desire
more free trade agreements with ASEAN and its member states. Thus far, only Singapore has
signed an FTA with the U.S.

Regarding U.S.-ASEAN trade in 2009, the top five ASEAN export markets were
Singapore, Malaysia, Thailand, the Philippines and Indonesia while the top five ASEAN import
markets were Malaysia, Thailand, Singapore, Indonesia, and Vietnam. Therefore, it is important
that the Obama Administration continues working through the TIFAs that it holds with Brunei,
Cambodia, Indonesia, the Philippines, Thailand, and Vietnam as some of these countries are its
top Southeast Asian trading partners. Thus, President Obama’s visit to Indonesia in November
2010 to boost U.S.-Indonesia trade through the U.S.-Indonesia Comprehensive Partnership was a
smart move by his administration to expand markets for U.S. goods in Southeast Asia.

On the socio-cultural level of the re-engagement policy, the Obama Administration
pledged to increase educational exchanges during the first U.S.-ASEAN Summit. To date,
exchanges are administered through the Fulbright Scholarship Program, YES Program, Vietnam
Education Foundation (VEF), and EducationUSA. The Fulbright program is still the largest in
Vietnam where there is also the Vietnam Education Foundation, which was established in
December 2000, when the U.S. Congress passed the Vietnam Education Foundation Act, which
provides annual funding of $5 million until 2019 to increase educational exchanges.1 Under the
Obama Administration, the YES program for Muslim students has increased, with participation
mainly from Indonesia, Malaysia, Philippines, and Thailand. The EducationUSA program seeks
to expand educational exchanges for ASEAN students by allowing them opportunities to study in
the U.S.

In addition, the Obama Administration has administered various socio-cultural programs
through the USAID to improve the quality of life for ASEAN populations through education aid,

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1 Vietnam Education Foundation, “VEF Achievements and Activities: Strengthening the
Relationship between the United States and Vietnam through Educational Exchanges in Science
food programs, and sanitation systems. There is also humanitarian aid to ASEAN countries like Indonesia that have been adversely affected by natural disasters. U.S. humanitarian efforts have been geared too towards dealing with HIV/AIDS. Furthermore, on July 23, 2009, the Lower Mekong Initiative, under the Obama Administration, was established and has been designed to improve the environmental concerns, healthcare systems, and educational facilities for the populations of Cambodia, Laos, Thailand, and Vietnam.

Section II: Tension in U.S.-ASEAN Relations, 2009-2011

Under the Obama Administration, while there is much cooperation in the U.S.-ASEAN relationship, some tension also exists. On the political-security level, the issue of Myanmar shows some tension in U.S.-ASEAN relations. For example, when Myanmar’s November 2010 elections resulted in the ruling military junta maintaining its stronghold, the Obama Administration and other western countries, as noted in Chapter IV, labeled the elections a sham. The U.S. is concerned that the military has controlled political power in Myanmar since 1962. The Myanmar Government released Aung Sung Sui Kyi after the elections, but still holds a host of other political prisoners, leading the Obama Administration to give a warning that it may enact more sanctions against that government. Other problems with Myanmar include human rights abuses against minority ethnic groups and political dissidents. The Obama Administration has called for an end to these abuses but, unlike the Bush Administration, it engages with and continues sanctions against the Myanmar Government in hopes of bringing about change in the country. Nevertheless, since these issues are unlikely to be resolved soon, the bilateral relationship will continue to be strained in the near future.

An area of tension on the trade level is the FTAs. For example, the U.S. and Malaysia began working on negotiations for a U.S.-Malaysian FTA in June 2006 but they have yet to sign this agreement. Several rounds have been held but they have had differences on intellectual
property, pharmaceuticals, investment, and agriculture. In the meantime, Malaysia has joined the TPP negotiations. Both U.S. and Malaysian leaders believe that their trade can benefit from the TPP arrangement as much as from a U.S.-Malaysia FTA. They are, therefore, placing more emphasis on the TPP arrangement. President Obama has expressed his desire for U.S. membership in the TPP; his administration believes that the TPP has the potential to become a strong regional free trade group. However, entry into the TPP will not necessarily be smooth for the U.S. as several sectors, including textiles, agriculture, dairy, and intellectual property, may present obstacles especially since textiles and agriculture are in the top sectors of two-way trade between the U.S. and the TPP-ASEAN countries.

On the socio-cultural level, human-trafficking, child prostitution and child labor in Southeast Asia have led to tensions in U.S.-ASEAN relations. Ethnic conflicts and discrimination against minorities are problems in some ASEAN countries like Myanmar and Vietnam. Prison conditions are generally bad, police abuses are common, and torture is practiced in countries like Laos and Myanmar. Freedom of expression also varies from country to country. These abuses are major concerns for the Obama Administration, which has called for an end to such abuses. For instance, when Secretary Clinton visited Vietnam in November 2010, she called for an end to restrictions on labor activists, political bloggers, and Catholic parishioners who had been detained by the government prior to her visit. During her visit to Cambodia, Clinton also stressed the

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4 Ibid., 60.

importance of human rights and called on the Cambodian government to accept a credible political opposition. At the same time, the Obama Administration has been careful not to issue politically charged statements against human rights abuses, as was done under the Bush Administration. Instead, as it desires progress with ASEAN, the Obama Administration broaches sensitive issues such as human rights violations in a more diplomatic manner.

Section III: Future Prospects

The Political-Security Level

This section discusses what might happen in the near future regarding U.S.-ASEAN relations. Myanmar, terrorism, and human rights issues are likely to remain hot topics in the near future. Another likely hot topic is a rising China in Southeast Asia. Both ASEAN and the U.S. should discuss all these issues at regional meetings, such as the ARF, East Asia Summit, and the ADMM Plus Meeting, which are platforms for them to reach agreement on these issues. Another prospect is that under Obama the U.S. relationship with Indonesia will increase. The U.S.-Indonesia Comprehensive Partnership includes cooperation in areas such as science and technology, entrepreneurship, education and student exchanges, regional democracy promotion, and interfaith dialogue. It is important to point out that Indonesia is the current ASEAN chair and will be hosting ASEAN’s key regional meetings in 2011. Therefore, it will be fascinating to observe the developments in U.S.-Indonesian interactions over the course of the year. Yet another future prospect is America’s stronger ties with Vietnam. The relationship is now closer because Vietnam served as ASEAN’s chair in 2010. Vietnam sought America’s support on the South China Sea issue and hosted the ADMM, a forum for discussing political-security issues in the region. While attending the ADMM, Secretary Robert Gates had the opportunity to meet with Vietnamese officials to strengthen U.S.-Vietnamese ties. However, tensions remain over the Agent Orange issue, as the U.S. used Agent Orange as part of its chemical warfare tactics during the

\[ ^6 \text{Ibid., 60.}\]
Vietnam War. This issue remains important because many Vietnamese are still plagued by health and environmental problems as a result of Agent Orange being sprayed in Vietnam against the Communists.

With recent world events such as the crises in Egypt, Libya, and Japan, another future prospect is that the Obama Administration will have less time and energy to devote to Southeast Asia as it has so many other pressing issues to handle. Yet, references are being made to Southeast Asia when discussing possible results of developments in the Middle East. For example, in the case of Egypt, analysts are predicting three possible scenarios there. One is an Iranian outcome, whereby Islamic fundamentalists came to power in 1979 with the ouster of Shah Mohammad Reza Pahlavi. Another scenario is an Indonesian outcome, where a democratic form of government eventually replaced President Suharto’s 32 years of authoritarian rule. A third scenario is a Romanian outcome, where revolutionaries overthrew Nicolae Ceausescu in 1989, giving Romania a semi-presidential republic. The U.S. favors an Indonesian outcome in Egypt, with it becoming a democratic state. However, many analysts believe there must first be several changes in Egypt’s laws and constitution before it can transition into a democracy. It is therefore evident that more references are being made to Southeast Asia when discussing world events.

Trade Relations

On the economic level, one future prospect is that U.S.-ASEAN economic relations will certainly be a major focus for the Obama Administration. This administration announced its focus on Southeast Asia in America’s 2011 trade policy. The Obama Administration cannot afford to

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8 Ibid.

9 Ibid.

10 Ibid.
slight the Southeast Asian region if it wants to see future improvements in the U.S. economy. One of the main goals of Obama’s trade policy is to become a member of the TPP Agreement to produce more jobs for Americans and to open more markets for U.S. goods in Southeast Asia. Jobs and markets are critical to President Obama’s re-election bid in 2012. The state of the U.S. economy, the unemployment rate, and trade issues will help determine the results of that election. Therefore, it is vital that the Obama Administration pushes its economic agenda in Southeast Asia so it can see more tangible signs of U.S. economic recovery. One TPP-ASEAN country that the administration should focus on is Brunei which holds much potential; as of 2009 it was the 8th largest ASEAN country in two-way trade with the United States. The administration should find more U.S. goods that Brunei desires as a way of expanding its exports sector and thereby increasing the trade between them. The other TPP-ASEAN countries, Singapore, Malaysia, and Vietnam, ranked 1st, 2nd, and 4th respectively in two-way trade, with the United States in 2009. However, there is always room for improvement and the U.S. should try to export more American goods to these countries. The TPP stands to be mutually beneficial to the U.S. and other members. At the same time, both sides need to be aware that it can foster competition between them. For instance, the fish and seafood markets are two areas where competition is likely to arise since Vietnam poses problems for some southern U.S. states, such as Mississippi, Alabama, and Louisiana, in these industries.

Another future prospect is more FTAs with the ASEAN states as the Obama Administration continues to stress its TIFAs with ASEAN as a whole, and with Brunei, Cambodia, Indonesia, Malaysia, Philippines, Thailand, and Vietnam individually. Furthermore, the TIFAs with Brunei and Vietnam are an additional layer to the TPP that the administration should utilize to strengthen U.S. economic ties with the region. Additionally, the U.S. is hosting the next APEC meeting in Honolulu, Hawaii, in November 2011. At the first Senior Officials Meeting (SOM) for the APEC Forum, held in Washington D.C. on March 9, 2011, Secretary Clinton pointed out:
Every economy represented here is hard at work creating jobs, addressing the social and environmental consequences of growth, and laying the groundwork for long-term prosperity. Now of course, there will be differences in how our countries pursue these common goals. But I believe strongly we must pursue them in partnership—through more and better trade, investment, and collaborations in science, technology, and education—if we wish to continue the progress that has already begun.11

It is apparent that the Obama Administration recognizes that in order to promote U.S. goals it will need to do so by partnering with ASEAN countries. The Obama Administration has been committed to showing America’s willingness to pursue partnerships and it will continue with this policy if he is reelected.

Socio-Cultural Ties

One future prospect in the U.S.-ASEAN socio-cultural relationship is the enhancement of educational and cultural exchanges as noted in the 1st U.S.-ASEAN Summit Joint Statement. The Fulbright Scholarship Program, Vietnam Education Foundation, YES Program, and EducationUSA allow the U.S. to facilitate educational exchanges with the ASEAN states. These exchanges are very important because they benefit both sides and foster better understanding between them. Since the Obama Administration seeks to expand educational exchanges with the ASEAN countries, it should continue promoting these programs as they are all geared towards giving more opportunities to ASEAN students to study in the U.S. Another future prospect is more USAID programs that endorse democracy, raise the quality of life, and improve education facilities. For example, America’s Lower Mekong Initiative is helping Cambodia, Laos, Thailand and Vietnam improve the environment, health, education, and infrastructure development in their countries.

After 2012, the U.S.-ASEAN relationship has the potential to move in a few directions. Should President Obama be re-elected, he will continue to stress their overall relationship as well as U.S. bilateral relationships with all of the ASEAN states. This is especially so with Cambodia, Laos, Indonesia, and Malaysia since in 2010 Obama’s Administration has worked very hard to improve their relations. However, there may be changes in the President’s cabinet that may affect America’s relationship with ASEAN. Specifically, there is talk that Secretary of State Hillary Clinton does not plan to serve in her current capacity should President Obama be re-elected.

Secretary Clinton has played a crucial role in re-establishing ties with the region. Her presence at the annual ARF meetings, her attendance at the EAS forum in 2010, and her visits to the various ASEAN nations in both 2009 and 2010 have been significant in showing the Obama Administration’s commitment to Southeast Asia. If she does not remain as U.S. Secretary of State, President Obama will then need to find someone with her knowledge of the region and with her experience in diplomacy to continue improving U.S. ties with the region.

Should President Obama not be re-elected, the regional organization may not be a high priority for the next president, especially an incoming U.S. Republican president. With the current international political climate, such as the major crises in Egypt and Libya, a Republican president may choose to focus less attention on ASEAN. Indonesia may also not receive as much attention from a new president as part of the present attention on the country is due to President Obama’s personal ties to it. Thus, if a different president is elected, this president may not be as likely to share the same intimate connection with Indonesia as President Obama, which may in turn cause the U.S.-Indonesian relationship to become less fruitful.

Section IV: Conclusion

Overall, the Obama Administration has made substantial progress in U.S.-ASEAN relations as it has succeeded in improving relations on the political-security, trade, and socio-cultural levels. As of mid-2011, the Obama Administration’s political-security ties with ASEAN
are the strongest aspect of his re-engagement policy. The administration has been highly consistent in attending ASEAN meetings, visiting ASEAN countries, and supporting ASEAN member countries on political-security issues. The second strongest area of the U.S.-ASEAN relationship is the socio-cultural ties due to the increase in U.S. educational exchanges, especially in the YES program. President Obama pledged to increase these exchanges in 2009 at the first U.S.-ASEAN Summit. The trade area is perhaps the hardest to see immediate improvements as progress takes time to achieve. Therefore, in the trade area, the U.S. has ways to go as it is still negotiating to become a member of the TPP agreement and working to sign FTAs with most of the ASEAN countries.

In terms of U.S. bilateral relations with the ASEAN countries, Indonesia has received the most attention, due in part to President Obama’s personal ties to the country. After several missed opportunities to visit Indonesia, President Obama finally made his trip in November 2010. He and President Yudhoyono were at last able to ratify the U.S.-Indonesia Comprehensive Partnership, which has already begun to improve U.S.-Indonesian relations in all three areas of the Obama Administration’s re-engagement policy. The next ASEAN state to receive much U.S. attention is Vietnam. When Vietnam reached out to the Obama Administration over territorial disputes in the South China Sea, the administration supported Vietnam and ASEAN by issuing a U.S.-led initiative to try to end the disputes diplomatically and peacefully. Next, in terms of U.S. attention received, would be the U.S. treaty allies, the Philippines and Thailand. They will remain a priority for the Obama Administration. The U.S. and the Philippines are working on improving their strategic bilateral dialogue while the U.S. continues to monitor developments in Thailand. Myanmar is the most troubling for the Obama Administration, since its November 2010 elections did not bring about any significant political change in its military rule. The Obama Administration should continue its new policy of engagement and sanctions towards Myanmar at least until 2012. After that, it should consider re-evaluating its policy if the changes that it desires for Myanmar
have not been met. Nevertheless, the Obama Administration still has work to do in developing the U.S.-ASEAN relationship to its fullest potential. Fortunately, he has re-engaged ASEAN and has set in place the foundation to build stronger U.S.-ASEAN ties.
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