NATIONAL DEFENSE UNIVERSITY

NATIONAL WAR COLLEGE

ASIAN VALUES, AMERICAN INTERESTS.
A FRAMEWORK FOR CONFIDENCE BUILDING IN SOUTHEAST ASIA

COURSE 5604 ESSAY

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Southeast Asia presents a challenge, unique among the regions studied, in presenting a relatively benign security environment among a group of stable, prosperous economies. Relations among the nations of the region are good, internal stability and legitimacy has been achieved politically, albeit under relatively authoritarian regimes.

Such a situation might invite complacency, ironically, it is precisely that complacency that could be the source of future instability The challenge of maintaining the current regime of stable, prosperous countries requires a continuing, active US presence in the region that antagonizes neither the countries in the region, nor potential competitors outside the region. This paper examines current US national interests and objectives in the region, discusses the context of and challenges to securing our interests, and proposes a "light-handed" approach calibrated to the sensitivities and needs of Asians.

US National Interests: Security

The end of the cold war has led to new challenges for the United States in its role as the world's lone superpower. In support of our national security strategy of engagement and enlargement, it is in our national interest to continue our commitment to the security of Southeast Asia Security in the region is vital in order to ensure regional stability, deter aggression against our allies, and guarantee unrestricted sea lines of communication (SLOCs). Through regional security the countries of Southeast Asia can continue their tremendous political and economical advances. Current US policy has proposed its security role as a good for which improved trade and investment access should be exchanged. At a meeting of the Asia-Pacific Economic Cooperation (APEC) in November of 1993 President Clinton stated, "We do not intend to bear the cost of our military presence in Asia and the burdens of regional leadership only to be shut out of the benefits of growth that stability brings."

Context and Challenges for US Security Interests:

In the 1990's, Association of Southeast Asian Nations (ASEAN) countries (Brunei, Thailand, Singapore, Indonesia, the Philippines, Malaysia and Vietnam) began to increase defense spending due to concerns over growth, prosperity, and sovereignty over the Spratly islands with

respect to China. An economically strong China would be welcome because of her market potential. However, the potential for China to become a regional hegemon coupled with a reduction in US presence has caused ASEAN countries to look inward for security. Their new defense programs have concentrated on procuring longer range aircraft, missile-armed patrol craft and frigates. These programs have been easy to finance due to high rates of economic growth and have been justified as being required in order to protect vital economic assets. None of the ASEAN countries have indicated plans to acquire weapons of mass destruction. The US has been the major arms supplier for the region and has continued a policy of treating ASEAN members as equals when supplying high technology weaponry. This policy has helped to maintain a regional arms balance However, when the US has attempted to limit arms sales to countries with questionable human rights policies, there have been several alternative sources ready to fill the requests.

The US was left without forward deployed forces in the region following the closure of US military bases in the Philippines in 1992 Since that time the other ASEAN states have become involved to varying degrees in helping the United States maintain a low-profile air and naval presence in the region through a relationship known as "places not bases". All ASEAN members, except the Philippines, have signed memoranda of understanding bilaterally with the US to guarantee small numbers of ships and planes access to specific ports and airfields for repairs, provisioning, and joint exercises. Professor Sheldon Simon, a member of the US Council on Security Cooperation in the Asia-Pacific, has stated, "The low key US presence in Southeast Asia is designed to alleviate local anxieties about putative regional threats without compromising sovereignty or offending national sentiments." However, there is a growing concern that US national interests may not be entirely compatible with ASEAN's interests. They feel that US presence alone is no longer a guarantee of regional security. ASEAN members know that they must continue with open dialogue to resolve territorial disputes, local arms buildups, and ethnic tensions.

US Security Objectives

* Prevent the emergence of a military and technological competitor in the region that could assume the role of a regional hegemon.

*Maintain free and open navigation through the SLOC's and promote resolution of maritime disputes in accordance with the Law of the Sea Convention.

*Support confidence building measures and transparency among military forces in the region.

Means of Power/Influence for US to Advance Its Security Interests:

In 1994 the ASEAN Regional Forum (ARF) was established which included the six ASEAN members plus Australia, Canada, China, the European Union, Japan, Laos, New Zealand, Papua New Guinea, Russia, South Korea, the United States, and Vietnam The ARF established a means for greater openness and information sharing in military affairs as part of the confidence building process. A 1995 ASEAN "Concept Paper" proposed measures that were explored and implemented by ARF members. The three stages of security cooperation are: confidence building, preventive diplomacy, and elaboration of approaches to conflicts. The first confidence building measure supported by members of ARF was complying with the UN Register of Conventional Arms Currently 16 of the 19 members have provided the required information on conventional arms imports and exports There are proposals for each member to prepare a comprehensive annual defense policy statement and possibly a regional arms register. Other issues being explored include: exchanges between military academies, staff colleges and training; observers at military exercises, annual seminar for defense officials and military officers on selected international security issues; maritime information data bases, exchange of information and training in the areas of search and rescue, piracy, and drug control; establishment of zones of cooperation in areas such as the South China Sea, prior notification of major military deployments that have region wide application; and a mechanism to mobilize relief assistance in the event of natural disasters. The US must support the ARF in its goal to enhance confidence building through dialogue and informality over legally binding and verifiable obligations. We have been right sizing our own military and do not need to establish a larger military presence in the area

Our low keyed presence coupled with bilateral agreements in establishing "places not bases" shows our support without taking on the appearance of a regional hegemon. ASEAN members will have much greater success in dealing with countries such as Laos, Cambodia, and Myanmar on human rights issues. Security through trust and cooperation will keep the sea lines of communication open and prevent the development of a regional hegemon.

US National Interests Economic and Political

US economic interest in the region is to promote prosperous, dynamic, open market economies that are open to US trade and investment We assume a convergence of SE Asian prosperity and American market access and wish to intensify this relationship Moreover, we recognize strains that aggressive growth strategies can create environmental degradation, competition for raw materials and energy; and narcotics trafficking, to name a few. Key among these is competition for energy, given that Southeast Asian economic growth --itself a prerequisite for social and regional stability -- appears far more sensitive to energy supply and price changes than in other regions. Strong US domestic support among business and labor for economic ties with Southeast Asian economies is evidenced by strong participation of these interest groups in the Pacific Basin Economic Council. However, US trade and investment policies tend to be more punitive (involving dispute resolution) than in building relationships

US political interests (apart from the geostrategic) are to promote open societies with free expression, freedom of information, and respect for basic human rights. However, application of US interests to specific objectives have been intermittent and ill-focused. Lack of "triage" in determining what are vital and important issues in pursuing these interests leave the impression that we cannot distinguish between alternative paths to political development (e g., Malaysia, Indonesia and Singapore) and legitimate concerns over human rights and repression (e.g., Cambodia, E. Timor and Myanmar). Our approach that resolution of these issues is key to the rest of our relationships creates a non-productive linkage that often detracts rather than strengthens our interests in the economic and security realms. Of the three sets of US interests,

political values are the least important (despite apparent domestic popular support) and should be used surgically to advance other interests except in cases of egregious violations of internationally recognized norms. Unfortunately, current US policy often leads Asian nations to view this interest as the leading edge of our interest in the region

Context and Challenges for US economic and political interests:

SE Asia is among the most stable, prosperous regions of the world: there are no brewing conflicts that threaten to erupt into war; there is a sense of regional identity and cohesion that manifests itself into informal fora (e.g., APEC and ARF) that emphasize confidence building to build mutual trust and security; and major internal legitimacy and insurgency problems have largely been solved. This overall stable, prosperous environment also allows the US to employ a broader range of tools of statecraft in a more flexible, focused fashion than we are doing at present. Finally, the region is increasingly emphasizing multilateralism over bilateralism as the means of building confidence on issues of potential crisis. Use of informal mechanisms (e.g., ARF) to build relationships before building structures is a key Asian approach that should be incorporated into US objectives.

The critical challenge to US interests lay in three areas: emergence of China as a political and military hegemon, intense competition for resources (especially energy), and destabilization of Asian "democracies" through internal forces. In the first instance, China views its role in the region in "Monroe Doctrine" terms, as the dominant political and security influence in the region. How this will affect US economic interests is not clear, although market and investment opportunities (especially in technology areas) appear greater than any potential threats from competition. In the second instance, energy (particularly oil) represents an area of severe vulnerability and can act as an anchor to growth. Security and energy may become indistinguishable in the near to medium term. In the third instance, succession issues in the countries mentioned above, problems of democracy to taking root in Cambodia and Myanmar, fragile civilian rule in Thailand, and who takes over after Fidel Ramos leaves the presidency in the Philippines are all potential areas for unstable polities, particularly if all these events occur close in

time to one another. All three threats are recognized by US policy makers but policies to deal with them are unclear. However, if one were to identify a regional center of gravity, it may be the ability to keep economic growth in the region moving along at above 6% to accommodate rising aspirations of the populace and reinforce political legitimacy This is based on our assumption that SE Asia (and Asia overall) will be an increasingly important region in the world for trade and investment, that there are no natural factors presaging a region-wide military conflict, and that other conflicts based on transnational issues (environment, energy, etc.) can be managed. Energy is the lever for that center of gravity.

US Objectives/Economic and Political:

Economic: Increased US participation through exports, technology transfer and investment in strong, prosperous SE Asian economies; develop a free trade area that incorporates the countries of the Pacific Basin; eliminate unfair trade practices in SE Asian economies that inhibit US access; promote regional economic cooperation on issues of economic security. Political/Democracy: Promote human rights, democratic governance, respect for rule of law and freedom of information in all societies.

Current US policy reflects greater emphasis on the latter than the former, which inhibits achievement of the former in a number of ways Detaching political/democracy objectives from economic (and security) ones may make the others more credible.

Means of Power/Influence for US to advance its economic and political interests:

Economic: The size of the US market is the greatest asset we have. Secondarily, the technology in areas vital to SE Asian interests in energy and environment are in high demand. We possess economic skills in the diplomatic service (although their presence in the region should be enhanced). Third, our membership in APEC and willingness to form free trade arrangements with the region, working in a multilateral framework is probably a greater asset than our bilateral relationships in pursuing economic objectives. We must be willing to adopt the same type of confidence building, relationship and network building approaches that the Asians themselves employ to overcome skepticism that we are trying to dominate APEC and other fora.

Political/democracy: Basically, our tool is public diplomacy and jawboning. Use of multilateral fora (e.g., the UN) are common, but most diplomacy takes place bilaterally. Unfortunately, it takes place from a largely pre-cooked set of ideals and principles that poorly adapt in a negotiated setting to the exigencies of the situation at hand Greater flexibility and willingness to discriminate when forays into human rights and democracy concerns are productive and counterproductive would enhance the multiplier effect of our positions when we do choose to raise an issue. We need to rely more in ASEAN mechanisms to deal with these problems, particularly with weak polities such as Cambodia and Myanmar. Cooperative efforts are more likely to bear fruit than bilateral ones on a broader range of democracy and human rights issues, though we should retain the right to speak out on egregious cases

Securing US Interests - A Proposed Approach:

As evidenced above, we have a vital stake in ensuring dynamic, transparent Southeast Asian economies free of any military peer competitor. We believe this goal can be achieved through at least the next twenty years, provided two factors are met. The first is continued supply of cheap and abundant oil and gas to the region. The second is a successful effort on our and the regional actors' part to develop bonds of trust both between and amongst ourselves, and with such major extraregional powers as China, Japan and Russia. The following proposal would seek to accomplish both goals by fusing them in such a manner that the American consumer ends up making money on the deal .

We propose an Asian Energy Security Framework to ensure secure and predictable supplies of oil and gas "east of Suez." It would consist of three projects: a framework member-financed pipeline system to transport oil and gas from Kazakstan to China; a framework member-developed and administered regime of access to and through Southeast Asia's SLOCs; and cooperative contacts between framework members and the International Energy Agency, using Pacific IEA members Australia, Japan and the United States as principal points of contact. The last project would cover energy conservation, energy and the environment, alternate forms of energy, and energy research and technology. Framework members would include all ASEAN

countries, Pacific IEA members the United States, Japan and Australia, and extraregional non-IEA powers China, Russia and the two Koreas

We crafted our proposed framework so that it would appeal to members' sensibilities and sensitivities We frontloaded it with something concrete (Kazak oil for China) that would produce immediate benefits for both China and ASEAN. This would entice them to cooperate in a longer-term proposition: the negotiation and administration of a SLOC access regime that would help ensure timely and secure Asian access to Persian Gulf oil and gas. Parallel and complimentary to this confidence-building project would be an even longer-term dialogue between framework members and the IEA that could improve energy efficiency in the region.

Details: Connecting the Caspian's Kuwait-sized oil and gas supplies with East Asia's European-sized oil demand is technically feasible, but expensive and politically awkward given Russian interest in its near-abroad. The framework could help solve the financial problem by marrying overseas Chinese private money with other (particularly Japan Export-Import Bank) financing in a manner acceptable to ASEAN and Chinese elites. The deal could be structured along straight commercial terms by the International Finance Corporation or some other international financial institution; US companies, owing to their expertise in the subject, could be expected to do well in the tender. China's pay-off would be a guaranteed oil and gas source to fuel its projected economic expansion ASEAN and other Asian economies would benefit from additional Persian Gulf oil freed up from Chinese demand, as well as the lower prices that would follow. Kazakstan would benefit both politically, in terms of independence from Russia, and financially, in terms of a guaranteed commercial market for its hydrocarbon riches Russia would have to be bought off with a study group for framework members to explore investment in Russian Far Eastern hydrocarbon resources, something that could have the consequence of securing Russian long-term claim to sparsely-populated Siberia against possible future Chinese irredentism. Even OPEC would benefit by ensuring that oil prices never rose so

high on the strength of Asian demand that long-term oil elasticities would be eroded by competition from other fuel sources or conservation.

To ensure that Southeast Asia benefited from the increased Persian Gulf oil freed up by the Kazak-China pipeline, framework members would commit over the medium term to developing an access regime for Southeast Asian SLOCs through the ARF or some other, more informal vehicle to prevent accidents or other problems. Confidence gained in the pipeline project could overcome inter-ASEAN suspicions that up until now have complicated any such effort. Success in this project could attract other players, such as Burma within the region and India outside the region, whom we judge as unprepared or unsuitable for membership at this time. On a separate track, framework members could begin developing contacts on a cautious, step-by-step basis with the IEA that could foster both our environmental (pollution, global warming) and commercial (technology transfers, construction, sales) interests in the region by building on US experience since 1990 under the US-Asia Environmental Partnership. Success in these projects could merge with existing bilateral and multilateral efforts to create new framework projects in such possible areas as mine prevention and clearance, cooperative defense arrangements or even joint exploitation of Spratly hydrocarbon resources. In the event of backsliding on the part of any framework members, the framework could serve as an effective diplomatic tool for jointly deciding and implementing any responses.

Our proposal would secure existing US interests by building on a basis of consistency and explicit mutual advantage clearly lacking in our current, inconsistent approach It would, however, require a level of political will and commitment that no American administration has demonstrated since the end of the Vietnam War.

Course 5601 Proposal

(Plan B)

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