

## U.S.-Southeast Asia Relations: A Challenging Strategic Landscape

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The third quarter of 2002 was one in which the U.S.-led war on terrorism continued to claim the attention of regional policymakers and media. But it was also a period in which more traditional economic and political concerns began to reassume their previous prominence. In a number of countries, the war on terrorism adhered to patterns established earlier in the year. In a precautionary move reflecting information from a captured al-Qaeda source, U.S. embassies in Vietnam, Cambodia, Malaysia, and Indonesia were closed on the anniversary of Sept. 11. That action underlined the emergence of the region as a major arena in the new global battleground.

### **Counterterrorism Tops the Agenda**

The Philippines remained the focus of U.S. military attention with U.S. military advisors assisting the Armed Forces of the Philippines (AFP) in counterinsurgency operations against Abu Sayyaf elements in the south. President Gloria Macapagal-Arroyo made it evident that she was determined to put U.S.-Philippines military relations on a robust and sustained footing. The president and her security advisors clearly viewed the violent Muslim separatists in the south as a primary threat to national security followed by an at least somewhat resurgent (communist) New People's Army. Manila's language with regard to both movements was belligerent and uncompromising. The appropriate instrument of state policy under such circumstances was the military. However, the AFP, long under-funded and under-equipped, was ill-prepared to implement the new hard line – much less deal with external challenges such as in the Spratlys. This is where U.S. assistance, first in the form of trainers and second in equipment, becomes essential.

The initial results in terms of counterinsurgency operations against Abu Sayyaf were encouraging. AFP jungle units demonstrated improved initiative and effectiveness and by the end of the quarter Philippine commanders were describing Abu Sayyaf as a “spent force.” Meanwhile, U.S. Congressional committees were earmarking monies for providing U.S. military equipment to the AFP. The final status of those appropriations remained in limbo pending the outcome of larger budget battles on Capitol Hill.

Judging from opinion polls, popular support for the renewed presence of U.S. forces in the Philippines remained high. Protest demonstrations were noisy but small by Philippine standards. The most prominent opponent of this *rapprochement* was the vice president and concurrently foreign secretary, Teofisto Guingona. Under pressure from President

Macapagal-Arroyo, he resigned as foreign secretary to be replaced by the avowedly pro-American Sen. Blas Ople.

In Singapore, the government announced a new round of arrests of suspected al-Qaeda operatives and fellow travelers. A formal agreement permitting U.S. customs inspectors to operate in Singapore examining U.S.-bound cargo was finalized. From all evidence the counterterrorism cooperation between the U.S. and Singapore remained close and virtually seamless.

The new climate of public collaboration between Malaysia and the U.S. engendered by terrorism concerns was strongly reaffirmed by Prime Minister Mahathir bin Mohamad's designated successor, Deputy Prime Minister Abdullah Badawi. The prospective selection of Defense Minister Najib Tun Razak as the next deputy prime minister promised to further consolidate this trend. Razak has close ties to the U.S. defense community. Malaysian security officials publicly noted the continued presence in the country of potentially dangerous Islamic militants. Meanwhile, the prime minister continued to be Islam's most articulate voice spelling out the grievances of the Palestinians and others on the one hand while exhorting Muslims to shake off the religious obscurantism that had condemned them to economic backwardness.

Indonesia continued to be the focus of regional concern due to the conviction of security officials in Singapore, Kuala Lumpur, Manila, and Washington that militant Muslim organizations and individuals with operational links to international terrorism were present and active in the country. Indonesian authorities acknowledged these concerns and declared they were investigating, but could not act without persuasive evidence. President Megawati Sukarnoputri was clearly loathe to risk a political backlash from Muslim organizations that commanded a substantial public following. The speaker of the Parliament publicly warned the president not to become the puppet of U.S. policy. Counterpressure from the U.S. came in several forms, but most notably in a six-nation visit by Secretary of State Colin Powell through the region that included consultations at the ASEAN ministerial meetings in Brunei.

### **Human Rights are Still an Issue**

While terrorism remained prominently on the agenda, long established political and economic issues began to reassume their prior salience. In Burma (Myanmar) recently freed opposition leader Aung San Suu Kyi was finally allowed freedom of movement but was unable to initiate a serious political dialogue with the ruling junta. In Indonesia the restive region of Aceh produced a steady and depressing drumbeat of violence between separatists and security forces with innocent civilians often the victims. The carnage that followed East Timor's 1999 referendum on independence produced some long-delayed trials in Indonesia to affix responsibility. But the subsequent acquittal of relatively low-ranking military officers and the failure to even try more senior figures produced criticism in Europe and the U.S. – not to mention East Timor. Meanwhile a European Union (EU) delegation visited the region to assess political and electoral rights in Cambodia and human and religious rights in Vietnam – with the clear implication that EU aid to both countries might be curtailed if the findings were unfavorable.

Another major issue with human rights implications emerged when Malaysia decided to crack down on an estimated 1.6 million illegal aliens in the country – mostly undocumented construction and plantation workers from Indonesia and the Philippines. The result was a highly public roundup of Indonesian and Philippines nationals and their confinement in detention facilities pending early deportation (by the end of August). Laggards were threatened with judicial canings and conditions in the centers were often difficult. Not surprisingly, Malaysia's action produced lurid media accounts and angry protests in Jakarta and Manila reflecting wounded national pride in both capitals. The situation became sufficiently enflamed to require direct consultations by Prime Minister Mahathir with Presidents Megawati and Macapagal-Arroyo.

### **ASEAN Returns to Center Stage**

The 35<sup>th</sup> annual ASEAN Ministerial Meeting held in Brunei along with the ASEAN Plus Three (China, Korea, and Japan), and the ASEAN Regional Forum (ARF) meetings restored the ASEAN process to center stage. The most significant outcome was language in the Joint Communiqué calling for increased cooperation to counter the threat of international terrorism through “concerted efforts and concrete initiatives at all levels.” The ministers also signed an ASEAN-U.S. Joint Declaration for cooperation in this effort. It represented a remarkable public alignment with Washington on a very high-profile security issue. The ministers also, *inter alia*, adopted “a code of conduct in the South China Sea [to] further peace and stability in the region.” But an attempt to mollify China by avoiding any direct reference to the Spratly Islands disputes meant the proposed code flirted with irrelevance. Nor was there any guarantee that China would sign even such a watered-down document.

Meanwhile, China pushed a multidimensional diplomatic initiative of its own calling for rapid implementation of an ASEAN-China Free Trade Agreement, cooperation on joint Mekong River Basin development projects, and the adoption of a new mutual security concept based on “trust, mutual benefit, and coordination.” If there was any doubt concerning the high priority Beijing accorded its relations with Southeast Asia, it was surely dispelled by a three-week official tour by China's parliamentary chief, Li Peng, to Thailand, Indonesia, the Philippines, and Australia, accompanied by a delegation of 120 officials.

### **Security to the Fore**

As the quarter closed it seemed safe to predict that security issues would continue to loom large in the region. The major questions were: (1) whether the ASEAN countries generally, and Indonesia in particular, could find effective and sustainable means to neutralize radical Muslim elements and (2) whether the ASEAN countries could continue to build relations with China without suffocating in China's embrace – or giving way to Chinese claims in the Spratlys.

Security has loomed inordinately large in part because economics – the usual dominant issue – has required less urgent attention than in recent years. In general the ASEAN economies have weathered the most recent global downturn remarkably well. This has

been due in large part to increased intra-regional trade, growing domestic consumer demand, and the continued impressive growth of the Chinese economy. If these positives were to falter in conjunction with an accelerated softening of U.S. demand for ASEAN-origin exports, economics would quickly reassert its primary claim on the attention of the region.

By the end of the quarter the major questions associated with the terrorist challenge in the region had begun to assume sharper focus. They included the following: (1) Will the U.S. military commitment to assisting the AFP be sufficiently serious, substantial, and sustained to overcome the systemic weaknesses of the AFP? (2) Will the president and senior security officials in Indonesia become convinced that they face a threat of sufficient lethality to their own interests to initiate a determined and comprehensive response – including the use of military and intelligence agencies to cripple militant Muslim organizations and networks? (3) Will the U.S. (including Congress) decide that security concerns in Indonesia override reservations about the human rights record of some elements of the Indonesian armed forces (TNI)? If so, will Washington resume significant assistance to the TNI? In this regard, recent credible indications that local elements of the TNI were involved in the murder of two Americans and the wounding of several more in West Irian could effectively block any possibility of assistance unless strong measures are taken by Jakarta. (4) Can the leadership of the dominant Malay political party (UMNO) in Malaysia summon the will and the capacity to reverse the secular decline in its appeal to the Malay rural population without resorting to appeals to Malay ethnic chauvinism? This difficult question will be highlighted as Malaysia begins a transition from over two decades of dominant leadership by Prime Minister Mahathir.

### **Chronology of U.S.-Southeast Asia Relations July-September 2002**

**July 1, 2002:** Burmese opposition leader Aung San Suu Kyi's first unhindered political trip outside the capital is "successful" according to National League for Democracy (NLD) officials. The trip constitutes the first real test of the ruling junta's promise that she would be able to travel freely.

**July 1, 2002:** Army Chief of Staff Gen. Ryacudu orders the army to disband all civilian militias in Indonesia as a threat to "public order and security."

**July 2, 2002:** East Timor and Indonesia establish formal diplomatic ties.

**July 7, 2002:** In testimony before the House of Representatives, Indonesian military chiefs describes a navy lacking ammunition and seaworthy ships and an air force with most of its planes grounded for lack of spare parts.

**July 8, 2002:** Philippine President Gloria Macapagal-Arroyo announces that the U.S. military will begin new exercises in the southern Philippines (on Sulu Island) upon completion of current exercises on Basilan Island.

**July 10, 2002:** Maj. Gen. Damiri, the highest ranking Indonesian military official indicted for the military rampage in East Timor in 1999, goes on trial for allowing the forces under his command to commit violence.

**July 15, 2002:** U.S. intelligence sources indicate that the Sept. 11 attacks were first conceived at a meeting in Malaysia of key al-Qaeda operatives.

**July 17, 2002:** U.S. and Philippines naval forces begin 11-day joint disaster-relief exercises at the former U.S. base in Subic.

**July 17, 2002:** President Arroyo selects opposition stalwart, Sen. Blas Ople, as foreign secretary replacing Vice President Guingona who had opposed the deployment of U.S. forces in the Philippines.

**July 18, 2002:** The U.S. Senate Appropriations Committee votes to drop restrictions on military aid to Jakarta.

**July 22, 2002:** A Thai security expert reports International Maritime Bureau believes al-Qaeda is responsible for increased piracy in the Malacca Straits and is targeting ships carrying radioactive materials. Last year, 649 cases of piracy were recorded in the Straits.

**July 23, 2002:** The U.S. Congress approve \$55 million in supplemental military assistance to the Philippines – \$30 million more than the Bush administration requested.

**July 26-Aug. 3, 2002:** Secretary of State Colin L. Powell visits India, Pakistan, Thailand, Malaysia, Singapore, Indonesia, the Philippines, and Brunei.

**July 31, 2002:** U.S. Secretary of State Colin Powell attends ASEAN Regional Forum.

**Aug. 1, 2002:** The new ASEAN secretary general, Singaporean diplomat Ong Keng Yong, observes that “the U.S. military presence in the region inspires confidence . . . so there is a healthy effect.”

**Aug. 7, 2002:** The U.S. and Thailand agree in principle to hold a U.S.-ASEAN summit in Thailand when Bangkok hosts the 2003 Asia Pacific Economic Cooperation summit.

**Aug. 9, 2002:** Burma’s military junta frees 14 political prisoners just days after opposition leader Aung San Suu Kyi called for the release of all dissidents as a precondition for national reconciliation. About 1,000 prisoners of conscience are estimated to remain behind bars in Burma.

**Aug. 11, 2002:** Indonesia’s Parliament adjourns a two-week session in which legislators introduced constitutional changes designed to shrink the military’s role in politics and boost presidential powers (by direct popular election).

**Aug. 13, 2002:** Former East Timor Gov. Jose Soares becomes first Indonesian official sentenced (three years imprisonment) for gross human rights violations in East Timor.

**Aug. 30, 2002:** U.S. establishes a joint operations center with the Thai Third Army in Chiang Mai to gather intelligence on drugs along the border.

**Sept. 4, 2002:** Deputy Secretary of Defense Paul Wolfowitz says the U.S. is “disappointed” with the apparent lack of will to vigorously prosecute human rights abusers within the Indonesian Armed Forces.

**Sept. 6, 2002:** The Pentagon notifies Congress of a possible sale of 18 F/A-18F fighters worth nearly \$1.5 billion to Malaysia.

**Sept. 9-11, 2002:** Vietnamese Foreign Minister Nguyen Dy Nien meets with senior U.S. officials and members of Congress to build a framework for long-term cooperation.

**Sept. 10, 2002:** U.S. Ambassador to Indonesia Ralph Boyce publicly advises U.S. investors in Indonesia to “wait for the government’s announced program of economic reforms to begin to show some signs of being implemented.”

**Sept. 11, 2002:** The ASEAN Inter-Parliamentary Organization meeting in Hanoi adopts a joint communiqué to fight terrorism, but opposes a unilateral, unprovoked attack on Iraq.

**Sept. 16, 2002:** U.S. Embassies in Malaysia and Indonesia that had closed on the anniversary of the Sept. 11 terrorist attacks, reopen as do consulates in Surabaya and Ho Chi Minh City. U.S. Embassies in Vietnam and Cambodia (which are physically vulnerable) remain closed.

**Sept. 16, 2002:** Singapore announces the arrest of another 21 suspects linked to al-Qaeda and Muslim separatists in the Philippines.

**Sept. 17, 2002:** U.S. Vice President Richard Cheney and Malaysian Deputy Prime Minister Badawi meet and agree to enhance cooperation against terrorism.

**Sept. 18, 2002:** Indonesia announces it will investigate allegations that Abu Bakar Baasyir and his organization Jemaah Islamiah are involved in global terrorism.

**Sept. 20, 2002:** Singapore and the U.S. agree to allow U.S. inspectors to screen U.S.-bound cargo for weapons of mass destruction.

**Sept. 23, 2002:** Burma’s military government releases 18 political prisoners, including 10 members of the opposition NLD.

**Sept. 25, 2002:** About 1,500 militant Muslims from Java and Sumatra attend a mass anti-U.S. rally in Surakarta and declare readiness to wage jihad against the U.S.

**Sept. 26, 2002:** Indonesian military chief Gen. Sutarto states that foreign terrorists had operated in two regions of Indonesia (Moluccas and Sulawesi), implicitly contradicting Indonesia's vice president and supporting the U.S. ambassador.

**Sept. 30, 2002:** Indonesia's chief security minister Yudhoyono announces that Jakarta will send a team of intelligence officials to the U.S. to discuss recent arrests in Java of terrorist suspects.