The Pivot in Southeast Asia
Balancing Interests and Values

Joshua Kurlantzick
January 2015

This publication has been made possible by a grant from the Open Society Foundations. The project on the pivot and human rights in Southeast Asia is also supported by the United States Institute of Peace.
The Council on Foreign Relations (CFR) is an independent, nonpartisan membership organization, think tank, and publisher dedicated to being a resource for its members, government officials, business executives, journalists, educators and students, civic and religious leaders, and other interested citizens in order to help them better understand the world and the foreign policy choices facing the United States and other countries. Founded in 1921, CFR carries out its mission by maintaining a diverse membership, with special programs to promote interest and develop expertise in the next generation of foreign policy leaders; convening meetings at its headquarters in New York and in Washington, DC, and other cities where senior government officials, members of Congress, global leaders, and prominent thinkers come together with CFR members to discuss and debate major international issues; supporting a Studies Program that fosters independent research, enabling CFR scholars to produce articles, reports, and books and hold roundtables that analyze foreign policy issues and make concrete policy recommendations; publishing Foreign Affairs, the preeminent journal on international affairs and U.S. foreign policy; sponsoring Independent Task Forces that produce reports with both findings and policy prescriptions on the most important foreign policy topics; and providing up-to-date information and analysis about world events and American foreign policy on its website, CFR.org.

The Council on Foreign Relations takes no institutional positions on policy issues and has no affiliation with the U.S. government. All views expressed in its publications and on its website are the sole responsibilities of the author or authors.

For further information about CFR or this paper, please write to the Council on Foreign Relations, 58 East 68th Street, New York, NY 10065, or call Communications at 212.434.9888. Visit CFR’s website, www.cfr.org.

Copyright © 2015 by the Council on Foreign Relations® Inc. All rights reserved.

This paper may not be reproduced in whole or in part, in any form beyond the reproduction permitted by Sections 107 and 108 of the U.S. Copyright Law Act (17 U.S.C. Sections 107 and 108) and excerpts by reviewers for the public press, without express written permission from the Council on Foreign Relations.
Introduction

Since the start of President Barack Obama’s first term, the United States has pursued a policy of rebuilding ties with Southeast Asia. By 2011 this regional focus had become part of a broader strategy toward Asia called the “pivot,” or rebalance. This approach includes shifting economic, diplomatic, and military resources to the region from other parts of the world. In Southeast Asia, a central part of the pivot involves building relations with countries in mainland Southeast Asia once shunned by Washington because of their autocratic governments, and reviving close U.S. links to Thailand and Malaysia. The Obama administration has also upgraded defense partnerships throughout the region, followed through on promises to send high-level officials to Southeast Asian regional meetings, and increased port calls to and basing of combat ships in Southeast Asia.

Yet despite this attention, the Obama administration’s Southeast Asia policy has been badly misguided. The policy has been wrong in two important ways. First, the White House has focused too much on the countries of mainland Southeast Asia, which—with the exception of Vietnam—have provided minimal strategic benefits in return. This focus on mainland Southeast Asia has distracted attention from the countries of peninsular Southeast Asia—Indonesia, the Philippines, and Singapore—that are of greater value strategically and economically. Indonesia, in particular, is a thriving democracy and an increasingly important stabilizing force in regional and international affairs. Second, increased U.S. ties with mainland Southeast Asia have facilitated political regression in the region by empowering brutal militaries, condoning authoritarian regimes, and alienating young Southeast Asian democrats. This regression is particularly apparent in Thailand. It seemed to have established a working democracy in the 1990s, but has regressed politically more than any other state in Southeast Asia over the past twenty years. In May 2014, Thailand was taken over by a military junta. Reform also has stalled in Myanmar, Vietnam, Cambodia, and Malaysia. This political regression has had and will have strategic downsides for the United States as well. In the long run, young Southeast Asians—the region’s future leaders—will become increasingly anti-American and an authoritarian and unstable mainland Southeast Asia will prove a poor partner on economic and strategic issues for the United States.

Through the remainder of the Obama presidency, the United States should refocus its Southeast Asia policy in two ways: prioritize the countries of peninsular Southeast Asia and restore the emphasis on democracy and human rights in the region. In particular, the United States should slow and, in some cases, halt growing military-to-military ties with the countries of mainland Southeast Asia such as Myanmar. Washington also should refocus its aid on democracy promotion in Southeast Asia. Meanwhile, the United States should upgrade its relations with Singapore, Indonesia, the Philippines, and Vietnam by working to sign a treaty alliance with Singapore and expanding diplomatic, economic, and military ties with these four nations. Such a shift in Southeast Asia policy would allow the United States to better align Asia policy with democratic values and maximize the strategic benefits of U.S. interest in Southeast Asia.
The Pivot in Southeast Asia

Southeast Asia was at the center of U.S. foreign policy during much of the Cold War. However, the end of the wars in Indochina and the normalization of relations with former enemies like Vietnam in the early 1990s made the region a lower strategic priority for the United States. Still, the Asian financial crisis that began in 1997–98 kept Southeast Asia on the radar of President Bill Clinton’s administration. The Clinton administration also prioritized supporting democratization in Southeast Asia. During the 1998 Asia Pacific Economic Cooperation (APEC) gathering in Malaysia, Vice President Al Gore publicly offered his support for the reform process in Malaysia and lambasted the Malaysian government for detaining protestors and blocking democratization. The Clinton administration boosted funding for democracy-promotion programs in Southeast Asia by more than 200 percent and American aid organizations played leading roles in promoting Thailand’s democratic transition in the 1990s. In addition, the Clinton administration applied significant pressure, both rhetorically and through the use of sanctions and aid disbursements, on Cambodia, Vietnam, Laos, and Myanmar to encourage political reform.

Throughout the late 1990s and the 2000s, many Southeast Asian nations began to democratize as domestic conditions in these countries and outside pressure prompted political change. In Malaysia, the Asian financial crisis sparked street protests in the late 1990s. A real opposition emerged in parliament, led by former Deputy Prime Minister Anwar Ibrahim, in what had been for decades a de facto one party state. Even in Singapore, the financial crisis fostered greater public criticism of the long-ruling People’s Action Party; that shift in public sentiment allowed opposition parties, which had been powerless since the 1960s, to emerge. In its report on global freedom in 2009, Freedom House ranked the Philippines, Thailand, Singapore, Malaysia, and Timor-Leste (known as East Timor before it became an independent country) as “partly free” nations and Indonesia as “free.” Twenty years earlier, only the Philippines ranked as “partly free” in the region; the rest of these countries were deemed “not free.”1

Indonesia proved the most striking example of democratization in the region. When street protests in Jakarta forced longtime dictator Suharto to step down in May 1998, his appointed successor, B. J. Habibie, was willing to midwife a transition to democracy. He helped pave the way for free elections and, somewhat unwittingly, a referendum on independence in East Timor, then a province of Indonesia. The referendum, though followed by bloody violence linked to Indonesia’s security forces, eventually allowed for the creation of a new country in Timor-Leste, which also would become a democracy. Indonesia held domestically and freely contested elections in the 2000s and early 2010s, developed a vibrant climate of free expression and political debate, and decentralized political and economic power from Jakarta to many provinces, creating new layers of directly elected local leaders who would be accountable to citizens.

The George W. Bush administration came into office with hawkish views on China but no clear policy toward Southeast Asia or plans to take advantage of Asia’s democratization. The 9/11 attacks, and the subsequent wars in Afghanistan and Iraq, reduced whatever interest the administration had in Southeast Asia—and East Asia more generally. Other than issues related to the war on terrorism, such as tracing illicit financial transactions, the Bush administration had minimal high-level interac-
tion with most Southeast Asian nations. The administration was criticized heavily in Southeast Asia for not regularly sending top cabinet officials to major regional meetings, such as summits of the Association of Southeast Asian Nations (ASEAN). Indeed, overall both elite opinion and public opinion in Southeast Asia turned sourly anti-American during much of the 2000s, influenced not only by a perceived lack of American interest in the region but also by anger in some Southeast Asian countries over the wars in Iraq and Afghanistan. As several Bush administration Asia specialists admitted, the White House often relied solely on Singapore, a critical U.S. partner in Southeast Asia with an excellent diplomatic service but a population of only four million, as its principal contact for handling regional issues.

The Bush White House did foster closer ties with Vietnam, ties that had begun with the normalization of relations between Washington and Hanoi during the Clinton administration. During the Bush administration, Washington boosted military-to-military ties with Hanoi by bringing high-level Vietnamese officers to the United States for training programs, launching port calls by U.S. Navy vessels in Danang and other sites, and hosting the first visit to Washington of a Vietnamese prime minister since the Vietnam War. But the White House either ignored or purposefully tried to isolate several of the other authoritarian mainland Southeast Asian nations, including Cambodia, Laos, and Myanmar.

The United States’ relationship with Thailand, one of Washington’s two treaty allies in Southeast Asia, resembled its relations with other nations in Southeast Asia (except Singapore) during much of the 2000s. Bangkok received general disinterest from Washington and the relationship was stagnant on many fronts, except for the countries’ robust counterterrorism cooperation. Although the Bush administration named Thailand a “major non-NATO ally” and drew up plans for closer cooperation on several fronts with Bangkok, a proposed U.S.-Thailand free trade agreement collapsed amid acrimony between the two sides, and senior Thai and American military officers lost many of the personal relationships that had been common during the Cold War. The Thai armed forces did not request U.S. assistance to combat the swelling separatist insurgency in Muslim-dominated southern Thailand, an insurgency that exploded in 2001 and continued to grow in scale and intensity throughout the decade. The Bush administration mostly ignored the gathering insurgency.

With the Bush administration pursuing only limited interaction with Southeast Asia for much of the 2000s, U.S. policy toward many Southeast Asian nations was dominated by Congress, a rarity in American foreign policy. Congress had already played a central role in shaping tough U.S. policies toward Myanmar during the Clinton administration, and Congress tightened sanctions on Myanmar throughout the 2000s. In addition, Congress passed resolutions condemning the Cambodian government for arresting opposition activists and limited some bilateral aid to Phnom Penh. It also attempted to maintain congressionally mandated restrictions on International Military Education and Training (IMET) programs for Indonesian officers, as well as on sales of military equipment to the Indonesian armed forces, among other initiatives.

THE PIVOT AND REBUILDING RELATIONS WITH SOUTHEAST ASIA

In 2009 the Obama administration vowed to counter the Bush administration’s perceived lack of interest in Southeast Asia and in East Asia more broadly. Obama and his team commissioned multiple reviews of U.S. policy toward East Asia. Ultimately, the administration chose to launch an approach to East Asia that would become known as the “pivot to Asia,” though the term would eventually be
jettisoned in favor of the “rebalance.” (Despite the name change, Obama’s Asia policy remains known as the “pivot” to most policymakers.) The pivot had multiple components. It would, the administration promised, shift the general focus of U.S. foreign policy from the Middle East and Afghanistan/Pakistan to East Asia, the fastest-growing region of the world and one with four U.S. treaty allies and several other important partners. The pivot would also include a shift of naval assets away from the North Atlantic and toward the Pacific and new deployments of U.S. Marines in Australia and possibly other locations. Furthermore, the pivot included the promise of enhanced diplomatic relations with a wide range of Asian nations, a renewal of U.S. attempts to forge a regional East Asian trade pact, and a recommitment that senior U.S. officials would appear at important Asian regional gatherings. Ultimately, the trade component of the pivot would become a push for adoption of the Trans-Pacific Partnership (TPP), a proposed Pacific Rim trade deal.

Southeast Asia was seen as critical to the pivot, in part because the Obama administration believed that the United States had far more room to recover prestige and strategic influence in Southeast Asia than in Northeast Asia. U.S. ties with Seoul and Tokyo had remained relatively strong, despite some stagnation, during the Bush administration. Led by a president who had spent some of his childhood living in Indonesia and State Department officials with significant experience in Southeast Asia, the Obama administration believed that the United States could make major inroads in relations with Southeast Asia.

Why Washington Prioritized Mainland Southeast Asia

Within Southeast Asia, the Obama administration’s policy emphasized building or rebuilding relations with the four authoritarian nations of the mainland—Vietnam, Laos, Cambodia, and Myanmar—as well as with semiauthoritarian Thailand and Malaysia. There were several reasons why the administration prioritized mainland Southeast Asia, although in retrospect these reasons were misguided. There was clearly room for U.S. relations with mainland Southeast Asia to improve. While the U.S.-Vietnam relationship had blossomed under Bush, it was still hindered by congressional opposition to closer ties, concerns in Washington over Hanoi’s human rights record, lingering distrust from the Vietnam War era, and Hanoi’s desire to balance between ties with Washington and with Beijing. Meanwhile, the U.S. government had maintained only extremely limited interactions with Laos, Cambodia, and Myanmar. Some Southeast Asia observers, both within and outside the administration, also viewed mainland Southeast Asia as an area of increasing strategic importance because it sat in the middle of a growing network of road, rail, and sea links tying together South and East Asia, including the giant economies of India and China.

Several of the poorer nations in mainland Southeast Asia, like Myanmar and Vietnam, also are populous and have untapped natural resources and large potential markets. Myanmar has one of the ten largest untapped deposits of offshore oil and gas, as well as significant quantities of copper, tin, zinc, virgin timber, precious gemstones, and other resources. Less than 2 percent of people in Myanmar in 2009 owned mobile phones, and the penetration rates of other consumer products in the country remain similarly low. Before Obama took office, many large U.S. companies had for over a decade been lobbying the U.S. government to remove sanctions on Myanmar, precisely because they believed the country was a promising emerging market and had significant natural resources.

In addition to its position at the center of growing intra-Asian trade routes, mainland Southeast Asia also seemed, to some administration officials and Southeast Asia observers, to be a region where
the United States and China were now competing directly for influence. China had adopted a “charm offensive” strategy toward Southeast Asia in the 2000s, in which Beijing played down disputes over land borders and sea boundaries, signed a free trade agreement with the ten countries of ASEAN, sent the highest-level Chinese officials to a wide range of regional meetings, boosted aid dramatically to poorer Southeast Asian nations, and established military-to-military ties with several Southeast Asian countries.3

Many members of Congress agreed with the Obama administration that China was becoming the dominant influence in mainland Southeast Asia, and that this development somehow threatened U.S. interests in Asia. Senator James Webb (D-VA), chair of the East Asia and the Pacific subcommittee of the U.S. Senate Committee on Foreign Relations from 2009 to 2013, was probably the most vocal congressional advocate of improving relations with mainland Southeast Asia to counter China’s influence. Many congresspeople shared his views. “Sanctions by Western governments have not been matched by other countries, particularly Russia and China. Indeed, they have allowed China to dramatically increase its economic and political influence in Myanmar, furthering a dangerous strategic imbalance in the region,” Webb wrote in one op-ed in 2009.4

The Obama administration also hoped that renewed relations with mainland Southeast Asia would deliver a broader foreign policy victory. If rapprochement with mainland Southeast Asia produced closer diplomatic ties and an environment conducive to U.S. investment, it might demonstrate to the U.S. public and Congress that interaction rather than isolation should be at the center of U.S. foreign policy. Obama had come into office in 2009 touting an “extend a hand” idea of U.S. foreign policy toward the United States’ long-time antagonists. Rather than demonizing them, the United States would extend a hand to those leaders “who cling to power through corruption and deceit” if they “are willing to unclench” their fists in return, Obama said in his first inaugural address.5 Indeed, several administration officials suggested to congresspeople and to think tank specialists that if the “extend a hand” approach worked with former Southeast Asian pariahs like Myanmar, perhaps similar types of U.S. interaction would work with longtime antagonists like Cuba, Iran, or Russia.

Finally, as several former administration officials noted, once the Obama administration had committed to building ties with mainland Southeast Asia, it would look bad politically in the United States for the White House to halt the process or to slow it down. This was particularly true with Myanmar, where the administration would expend considerable political capital convincing congresspeople and many human rights organizations that rapprochement was the correct policy.6

**Myanmar**

With Myanmar, the process of rapprochement moved rapidly, after nearly two decades of U.S. isolation of the military government. Indeed, Myanmar policy soon became a high priority for the Obama administration, commanding personal interest from Secretary of State Hillary Clinton, Secretary of Defense Leon Panetta, other senior cabinet officials, and President Obama himself. Clinton became personally involved in lobbying skeptics in Congress to allow the administration to pursue rapprochement with Myanmar, as did other top State Department officials. By contrast, according to numerous members of Congress and administration officials, senior State Department officials rarely came to Capitol Hill to discuss issues related to the Philippines or Indonesia. The administration also adopted a strategy of putting personal “visit diplomacy” to Southeast Asia by top cabinet officials and President Obama at the center of renewed relations. This strategy necessarily required a
major investment of senior U.S. officials’ time in mainland Southeast Asia issues, since it centered on getting those officials to the region regularly.

Myanmar’s ruling generals had officially given way to a civilian government in 2011, even though that government was led by a former general. Still, the new Myanmar government released hundreds of political prisoners, allowed opposition leader Aung San Suu Kyi’s National League for Democracy (NLD) party to operate openly again, removed (for a time) many restrictions on the media and on public gatherings, and began liberalizing sectors of the economy and welcoming foreign investment. As these changes began in Myanmar, a series of senior U.S. leaders, including Secretary Clinton and in 2012 President Obama, paid visits to Myanmar. Obama’s visit was the first trip to Myanmar by a sitting American president since Myanmar gained independence in 1948. The White House upgrad-ed the U.S. Embassy in Yangon by replacing the chargé d'affaires with a full ambassador. The Obama administration launched military-to-military ties with the Myanmar armed forces, beginning with training programs for a select number of Myanmar officers, and the U.S. Agency for International Development (USAID) prepared to reestablish a mission in the country. Perhaps most important to the Myanmar government, the Obama administration urged Congress to halt economic sanctions; in 2012 Congress eased sanctions on Myanmar, making it possible for U.S. companies to make new investments in the country. By 2014, Japan, Australia, Canada, the European Union, and most other democracies had ended nearly all sanctions on Myanmar as well.

Laos, Cambodia, and Vietnam

The Obama administration pursued similar efforts to boost relations with Laos, Cambodia, Vietnam, Thailand, as well as Malaysia, a country partly located in mainland Southeast Asia. (Although not an authoritarian nation, Malaysia has never fully democratized and its political system has remained rigged in favor of the coalition that had ruled the country since independence.) In Cambodia, the ad-ministration started U.S. naval visits to the port of Sihanoukville.7 In addition, it has conducted small-scale annual joint military exercises with Cambodia, called Angkor Sentinel, and U.S. Special Forces have provided training to Cambodian forces, even though senior leaders of the Cambodian armed forces have played a central role, in recent years, in the Hun Sen government’s crackdowns on peaceful protestors. In 2012, Defense Secretary Panetta visited Cambodia and met with Cambodian Defense Minister Tea Banh, a rare visit by a top U.S. official to Phnom Penh.8 The United States also exchanged defense attachés with Laos for the first time in thirty years and began to provide some military education programs for Lao soldiers. Moreover, the Obama administration supported Laos’s candidacy to join the World Trade Organization (WTO), and the country was admitted into the WTO in 2013.

Secretary Clinton visited Laos in 2012, in keeping with the “visit diplomacy” strategy. Her trip marked the first visit of an American secretary of state to the country since the Vietnam War. In addition, in 2009 the Obama administration launched the Lower Mekong Initiative, led by Secretary Clinton, to foster closer U.S. relations with the mainland Southeast Asian nations closest to the Mekong River—Cambodia, Laos, Thailand, and Vietnam. The Lower Mekong Initiative was conceived as a vehicle to promote cooperation between the Mekong region and the United States in areas like pandemic disease, environmental protection, and other nontraditional security concerns. In the following years, it also became a way for the United States to increase aid to Cambodia, Laos, and Vi-
etnam on issues related to environmental protection of the Mekong basin and development of countries whose economies were highly dependent on the river.

The U.S.-Vietnam relationship also has expanded rapidly during Obama’s presidency. The Obama administration agreed to form the U.S.-Vietnam Comprehensive Partnership in 2013. The comprehensive partnership will serve as a framework to further improve bilateral ties, including sales of lethal arms to Vietnam. Although a decade ago closer U.S.-Vietnam ties seemed unlikely, growing tension between Beijing and Hanoi over the South China Sea has made Vietnam tilt toward the United States.

Malaysia and Thailand

At the same time, the Obama administration tried to improve relations with Malaysia. The White House worked closely with Kuala Lumpur in negotiations on the Trans-Pacific Partnership regional trade agreement, hoping that Malaysia (as well as Singapore) would help make the case for TPP to other developing Asian nations. The administration invited Malaysia to join the Rim of the Pacific multinational naval exercises held annually in Hawaii, boosted naval port calls in Malaysia, enhanced intelligence cooperation on a range of issues, and expanded military exchanges and training programs for Malaysian officers. In 2014, President Obama became the first sitting U.S. president to visit Malaysia in five decades.

Even though relations with Thailand had not deteriorated as much during the Bush administration as U.S. relations had with other Southeast Asian nations, the Obama administration also made Thailand a priority in its rapprochement with mainland Southeast Asia. Senior Obama administration officials built close ties with leaders from Thailand’s traditional Bangkok elites and maintained deep, extensive relations with senior generals in the Thai armed forces. A series of populist parties led by politician Thaksin Shinawatra and his allies has won every election held in Thailand since 2001 by appealing mostly to poor and rural Thais, who comprise the majority of the population. Then in 2008 and 2009 the military and royalist elites helped orchestrate a kind of parliamentary coup, convincing enough members of the pro-Thaksin parties to defect, enabling the Democrat Party, traditionally the bastion of Bangkok elites, to gain control of parliament. The Obama administration embraced the Democrat Party leadership, seemingly unaware that the Democrats lacked public legitimacy. Eventually, popular anger at the Democrat government crested into massive street protests in Bangkok in 2010. Still, the U.S.-Thailand relationship continued, with no disturbance, even after the Thai military opened fire with live ammunition on demonstrators in May 2010, killing at least eighty people and wounding hundreds.

Meanwhile, in southern Thailand, separatist militants, the Thai army, and army-linked death squads all continued to operate with impunity, with the Thai military allegedly detaining, torturing, and disappearing hundreds if not thousands of southerners, often with little cause. Under Obama, the United States continued to hold major bilateral joint exercises with the Thai military and even expanded the size and number of these exercises. The administration increasingly used the Thai armed forces as an interlocutor with other regional militaries. In addition, U.S. arms sales to Thailand have boomed in the past five years.
The Pivot and Promoting Democracy

Although the administration’s rationales for the pivot were first and foremost strategic—to address the growing importance of Asia to the world economy, the shift of U.S. interests away from Europe and the Middle East, and the rise of China (left unsaid)—the pivot was also supposedly designed to play a role in promoting democracy. In particular, renewing U.S. relations with the authoritarian nations of mainland Southeast Asia was intended to help foster political change in these countries after years of sanctions and isolation had supposedly failed to induce reform. Both Obama administration officials and many opinion leaders outside the administration argued that only through increased interaction with political and military elites in Southeast Asia could the United States hope to change Southeast Asian nations’ frequently corrupt authoritarian political cultures.10 The Bush administration, many Obama officials argued, had focused too much on the rhetorical aspects of democracy promotion, chiding authoritarian nations from a supposed moral high ground rather than trying to foster incremental change.

Many Obama administration officials believed that gradual interaction with political elites, as a means of promoting democracy, would be even more effective in Southeast Asia than in other regions of the world. The United States historically has enjoyed significant influence throughout Southeast Asia. In addition, many Southeast Asian elites—and some Southeast Asia specialists in Washington—argue that deference, rather than pressure, was somehow more suited to Southeast Asian social and cultural norms. Although an aversion to open conflict was historically an exalted cultural ideal in some Southeast Asian societies, the idea of deference had become increasingly archaic by the 2000s.

Individual aspects of the pivot listed the promotion of human rights and democracy as major goals. In the U.S.-Vietnam Comprehensive Partnership framework laid out in 2013, for example, the Obama administration highlighted “promoting respect for human rights” as a vital aspect of the partnership. Unsurprisingly, the government of Vietnam did not mention the human rights component of the partnership in its announcement of the agreement in Hanoi. Similarly, when one of the highest-ranking American military officers ever to visit Myanmar, Pacific Command’s Major General Anthony Crutchfield, came to the country in 2014, along with Assistant Secretary of State for Democracy, Human Rights, and Labor Tom Malinowski, he insisted that the primary rationale for growing military-to-military relations with Myanmar was to inculcate a culture of respecting rights among the Myanmar armed forces.11 Malinowski went further, insisting that fostering respect for human rights was the sole reason for working with the Myanmar military. As Malinowski explained at a press briefing, “The purpose of this engagement, the sole purpose, was and is to speak to the military about the importance of human rights, the rule of law, and civilian control.”12

Both in public and in private, administration officials and senior diplomats working in Southeast Asia echoed Malinowski. They argued that prolonged and expanded military ties would help change the way the Southeast Asian militaries operated, teach Southeast Asian officers about the need for civilian command of the armed forces, offer education in human rights, and help weed out the most abusive officers.13

This was a dubious argument, as there was little evidence that military-to-military relations could change the operating cultures of foreign militaries. Overall, in a damning study of U.S. military training programs using data from 189 countries, political scientists Jonathan Caverley of Northwestern University and Jesse Dillon Savage of Melbourne University found there was a clear correlation that “the number of military officers trained by the U.S. International Military Education and Training
Program *increases* the probability of a military coup" back in their home countries.14 In other words, countries with more officers taking part in military training programs in the United States were more likely to suffer coups.15

The same situation would repeat itself in Southeast Asia. For example, many of the Thai officers who participated in exchanges and American training programs in the late 2000s would go on to play leading roles in the military coup of 2014, which would drastically reduce political freedoms in the kingdom.
The Pivot’s Failures in Southeast Asia

The Obama administration has invested considerable time and political capital in improving U.S. relations with mainland Southeast Asia. Yet the United States has reaped minimal rewards from this investment.

The argument that mainland Southeast Asia is of critical strategic importance to the United States has not been borne out over the past five years. There are several reasons why this argument has been proven untrue. Despite some Southeast Asia observers’ insistence that the smaller countries in mainland Southeast Asia—Laos and Cambodia—have strategic importance, in reality these remain nations with small populations, tiny economies, and little to contribute to regional defense. The Mekong River, although important ecologically, is not important to U.S. trade or to U.S. defense strategy. No U.S. naval vessels travel the Mekong River and total annual U.S. trade with the Mekong River countries excluding Thailand is smaller than U.S. bilateral trade with Belgium. The ASEAN Economic Community, a regional free-trade area planned to come into effect in 2015, will cause little, if any, increase in U.S. trade with smaller Southeast Asian nations, as these countries are exempted from the 2015 target for regional free trade and will remain highly unattractive to foreign investors.

THE FALSE MENACE OF CHINA IN MAINLAND SOUTHEAST ASIA

The possibility that mainland Southeast Asian states will ally themselves more closely with China unless the United States aggressively cultivates them has also proved an unconvincing argument for focusing the pivot on mainland Southeast Asia. Although China was becoming increasingly influential in Southeast Asia during the 2000s, Beijing’s recent assertiveness in the South China and East China Seas has undermined China’s relations with Southeast Asia. Chinese and Vietnamese boats have, in the past three years, repeatedly rammed and fired on each other in the South China Sea. Vietnam’s relationship with China has deteriorated so rapidly during this period that Hanoi, despite its historical party-to-party links to Beijing, is arming itself for possible future conflict with China. Myanmar is also distancing itself from China. According to numerous Myanmar officials, the Myanmar regime began to embrace the West in 2010 in large part to reduce dependence on China, which had become the dominant strategic, economic, and diplomatic force in Myanmar. Many Myanmar officials note that Naypyidaw is desperate for Western aid, investment, and relationships, and that a slower process of economic and diplomatic normalization with the United States would not have curbed that hunger for Western investment and relations.

Despite efforts by the junta that took over Thailand in May 2014 to boost relations with China, the Thai government cannot easily sever its economic and strategic links to the United States, Japan, and Europe. China’s direct investment in Thailand remains minimal compared to that of Japanese and U.S. companies, and the Thai military officers who have participated in joint exercises with Chi-
Chinese forces have returned dissatisfied with the quality of the exercises. The Thai military remains heavily dependent on training from the United States and U.S. weapons systems—which is why the junta, even as it has publicly courted China, has repeatedly sent envoys to the United States to try to explain the rationale for the coup to American officials, rights groups, journalists, and other opinion leaders. In addition, as Pavin Chachavalpongpun, a specialist in Thai politics at Kyoto University’s Center for Southeast Asian Politics, has noted, Thai business and political elites relish their educational and cultural relationships with the United States and Europe.

Even the smaller nations in Southeast Asia, like Laos and Cambodia, have become increasingly wary of dependence on China. This wariness has been demonstrated by the desire of Laos, Cambodia, and Myanmar to upgrade relations with Japan and to cultivate greater Japanese and European investment in building critical road, rail, and telecommunications infrastructure. Moreover, even if the smaller nations in mainland Southeast Asia were to essentially become Chinese satellites, the strategic downside to the United States would be minimal, given the paucity of U.S. trade with and military commitments to these countries. It is also to some extent only natural that a rising China would seek to dominate in the small nations on its borders.

**GROWING INSTABILITY IN MAINLAND SOUTHEAST ASIA**

In addition to the false notion that mainland Southeast Asia is an area of critical competition between Washington and Beijing, the region has also become increasingly unstable in the past decade, creating another reason why the pivot should not have focused on this region. This instability has made many mainland Southeast Asian nations poor potential partners for the United States and unattractive to investors.

**Thailand**

The Thai government has been unable to participate in the United States’ regional trade agenda because Bangkok’s leaders have been consumed with domestic Thai politics. And as Thailand’s politics have become even more chaotic, the southern insurgency has continued to grow. Consequently, successive governments in Bangkok have been too preoccupied with their own survival to dedicate serious resources to pursuing a peace program in the deep south. Although the May 2014 coup has for a time clamped down on open dissent in Thailand, few Thai opinion leaders expect the country will achieve real stability in the near future while the question of royal succession remains unanswered and Thailand’s politics remain divided along class and regional lines. Because continued instability is likely, foreign investment in the kingdom is stagnating and the Thai economy will probably fall into recession in the last quarter of 2014.

**Myanmar**

Myanmar also remains extremely politically and economically unstable. Its volatility precludes investment and makes it difficult for Naypyidaw to provide any substantive cooperation to the United States on issues ranging from narcotics interdiction to combating pandemic disease to potentially balancing aggressive Chinese behavior in Southeast Asia. Myanmar’s government, which does not even control large areas of the country dominated by ethnic insurgencies, has made little headway in
ending decades of civil war. In fact, in recent years Myanmar’s political instability has worsened with the rise of Buddhist paramilitaries in addition to the ethnic armies. The Buddhist paramilitaries now attack Muslims across the country and could spark a nationwide interreligious war.

Myanmar’s opaque policymaking and the threat of nationwide civil conflict already have dampened potential investors’ enthusiasm for the country, despite Myanmar’s large population, undeveloped natural resources, and underserved consumer market. (Offshore oil and gas are an exception; foreign investors have remained highly interested in Myanmar’s offshore blocks.) As the Wall Street Journal reported in August 2014, despite the relaxation of U.S. sanctions on Myanmar, U.S. companies have committed less than $250 million to investments in a country of fifty million people.\(^{20}\) In contrast, U.S. companies have invested over ten times as much in Luxembourg, a country of roughly half a million people.

**Vietnam: The Exception**

Of all the countries in mainland Southeast Asia, only Vietnam offers enough potential strategic benefits for Washington to justify spending significant U.S. diplomatic and military resources to upgrade ties. Vietnam’s military is larger and, in a conflict, potentially far more effective than that of any other country in mainland Southeast Asia, including Malaysia and Thailand. Vietnam’s navy is professional and well trained. Its location, right next to the South China Sea, puts it at the center of vital shipping routes and at the heart of one of the most dangerous areas of the world. Vietnam’s Cam Ranh Bay would offer the best harbor for U.S. naval vessels in case of a conflict in the sea that drew in U.S. forces.

Moreover, a younger generation of Vietnamese officials, who did not fight in the war with the United States, has come to dominate the foreign ministry and military; they see a stronger relationship with the United States as essential to Vietnam’s future security.

Paul Leaf, a defense specialist, offers a summary of Vietnam’s advantages as a partner:

Vietnam’s military outlays climbed 130 percent from 2003 to 2012—making it Southeast Asia’s second-biggest defense spender as a proportion of GDP—which Hanoi is using to modernize its naval and air forces. Its location is strategically valuable: Vietnam shares an almost 800-mile border with China and it abuts the South China Sea. Finally, Vietnam is tough, having kept an outnumbered and outclassed group of vessels near China’s rig during their 75-day summer [of 2014] standoff.\(^{21}\)

As the most populous nation in mainland Southeast Asia, Vietnam also offers an economy that, if the government restores macroeconomic stability and reforms indebted state companies, has far more room to grow than that of most other nations in the region. Vietnam’s industrious and inexpensive workforce has continued to attract major foreign investors despite the slowdown of Vietnam’s economy since the early 2010s. In 2013 and 2014, for example, Samsung moved much of its smartphone production from China to Vietnam.
DISTRACTED ATTENTION

The focus on mainland Southeast Asia has not only delivered few strategic benefits to the United States but has also distracted U.S. leaders from other more important regions and issues in Asia. With the United States still fighting in the Middle East and a dangerous security situation developing in Ukraine, U.S. leaders and military forces are already stretched, even without devoting too much time to peripheral regions like mainland Southeast Asia.

Trade integration in Asia offers one example of how the Obama administration’s mainland Southeast Asia focus has distracted from more important policy goals. Although the administration continues Trans-Pacific Partnership negotiations with Asian nations, senior U.S. leaders like the president, the secretary of state, and other cabinet officials have spent little time publicly advocating—to Asian nations or to the U.S. Congress and public—the benefits of TPP. By contrast, President Obama, former Secretary of State Clinton, and current Secretary of State John Kerry have expended considerable time and energy personally lobbying members of Congress to lessen sanctions on Myanmar and approve new diplomatic and military ties to Naypyidaw.

Indeed, several Southeast Asian governments have all but halted their public support for the agreement, in part because they believe President Obama will spend little of his political capital on getting the deal through Congress. The recent TPP negotiations held in Beijing in November 2014 yielded little progress.

PENINSULAR SOUTHEAST ASIA

The administration has spent too little time fostering closer economic and diplomatic ties with the countries of peninsular Southeast Asia—Indonesia, Singapore, and the Philippines. These nations would be better long-term partners for the United States than mainland Southeast Asia. Singapore, Indonesia, and the Philippines would be far harder for China to attack than the countries of mainland Southeast Asia if a broader conflict broke out in the region. In addition, Singapore, Indonesia, and the Philippines are richer and more politically stable than most of mainland Southeast Asia and have far brighter economic futures. The Singapore economy has, since the late 2000s, managed to avoid most of the effects of the global economic slowdown as it has diversified into areas like private banking and liquid natural gas processing. The Philippines, long considered the economic laggard of Southeast Asia, has in the past three years experienced some of the highest growth rates in the world; more effective governance, a peace deal in the southern Philippines, improved infrastructure, and the country’s large pool of English-speaking workers have attracted rising amounts of foreign investment over the past five years. In 2013, the Philippines posted the second-highest growth rate in Asia, after China, and the country is expected to keep up its high growth throughout this decade. Indonesia, meanwhile, has grown at 5 to 6 percent annually for a decade, and currently enjoys a demographic dividend—a large number of working-age men and women in relation to the number of older men and women.

The countries of peninsular Southeast Asia, as well as Vietnam, also sit in a more strategically important location than most mainland Southeast Asian nations. Although Thailand is a treaty ally, the U.S.-Thailand relationship was formed during the Vietnam War era, when Thailand’s location near South Vietnam was more critical to U.S. interests than it is now. Peninsular Southeast Asia directly abuts the South China Sea, one of the most important areas for shipping in the world, which is be-
lieved to contain significant amounts of offshore oil and gas. In addition, growing disputes between China and other nations over claims to the South China Sea make it one of the likeliest places in the world for naval armed conflict to break out.

Yet the Obama administration has made minimal progress in building closer relations with penin-
sular Southeast Asia. Most important, the U.S. bilateral relationship with Indonesia, the biggest
economy in Southeast Asia and the most powerful country strategically, has not reached its potential.
The administration, led by a president who spent some of his childhood in Indonesia, launched a
comprehensive economic and strategic partnership with Indonesia in 2010, which was supposed to
be a road map to improved bilateral relations. Yet Washington has devoted little effort to fostering
U.S. investment in Indonesia, and it has not regularly sent cabinet-level officials or deputies from
Commerce, Treasury, and other agencies to the archipelago to assess the investment climate and to
promote economic relations. Cabinet-level officials from Treasury or Commerce have not regularly
participated in the annual U.S.-Indonesia strategic dialogue. By comparison, senior U.S. officials have
made visits to Myanmar to encourage investment and to help guide the Myanmar government in
writing foreign investment laws and removing military cronies from business—although Myanmar’s
economy is fifteen times smaller than Indonesia’s.

U.S. companies have in fact routinely complained to senior administration officials about the lack
of government interest in promoting investment in Indonesia or helping U.S. companies there nego-
tiate a sometimes-challenging business environment. Indonesia is still only the twenty-eighth largest
trading partner of the United States, despite Indonesia’s huge size and steadily growing economy; far
smaller nations like Belgium and Colombia rank above Indonesia in terms of total trade with the
United States.
Democratic Regression and the Pivot

Throughout much of the 1990s and the early 2000s, Southeast Asia was one of the brightest spots for democracy globally. Even Myanmar, long one of the most repressive nations in the world, seemed to be changing. In 2010 and 2011, the Myanmar army, which had ruled the country under a harsh, xenophobic regime since 1962, began a transition to civilian government by holding elections that ultimately helped create a civilian parliament and formally renouncing their control of the presidency. The country seemed poised for free elections in 2015 that would solidify democratic change.

Since the late 2000s, however, Southeast Asia’s democratization has stalled. In some of the region’s most economically and strategically important nations, it has even reversed. Over the past ten years, Thailand has undergone a rapid and severe democratic regression. Malaysia’s democratic institutions and culture have regressed as well, with the long-ruling Barisan Nasional (BN) coalition cracking down on dissent and trying to destroy what had been an emerging, and increasingly stable, two-party system. Following the contested 2013 election, Malaysia’s BN government proposed a draft of new legislation designed to suppress opposition voices and entrench economic and political preferences for ethnic Malays, disempowering ethnic Indians and ethnic Chinese, who together comprise about one-third of the country’s population. (The BN’s narrow victory in the 2013 election was due to its success with the most conservative and anti-opposition ethnic Malays, who then demanded rewards for their support after the election.) The government essentially reinstated the long-hated Internal Security Act (ISA). The law allowed Malaysia’s government to detain people without trial indefinitely, often on vague charges. Malaysia had, earlier in Prime Minister Najib tun Razak’s time in office, eliminated the ISA. Yet after the 2013 elections, the government passed new amendments once again allowing detention without trial.

Thailand has been mired in political crisis since 2006 when the Thai military launched a coup while Prime Minister Thaksin Shinawatra was abroad. Since then, Thailand has been consumed by cycles of violent street protests and counterprotests, political instability, short-lived governments brought down through extraconstitutional means, and harsh crackdowns on dissent. Thai institutions have become increasingly polarized and politicized, and few Thais now trust the integrity of the judiciary, the civil service, or other national institutions. Even the king, once so revered that Thais worshipped him like a god, has had his impartiality questioned by many citizens.

Since the high point of Myanmar’s reform process in late 2012, Myanmar’s politics have regressed as well. After initially loosening media restrictions, the government has tightened them and once again arrested journalists. Meanwhile, initial hopes that Myanmar’s military would take a reduced role in politics have gone unfulfilled. The military has written clauses into the constitution reserving a quarter of the seats in parliament for the armed forces. In addition, members of the military allegedly have been involved in new paramilitary groups that are emerging throughout Myanmar, burning down Muslims’ homes and shops, massacring Muslim families, and bombing Muslim quarters of cities. President Thein Sein has either ignored or defended the paramilitaries, or denied that mass killings of Muslims have taken place at all.

Southeast Asia’s most authoritarian states have completely halted all reforms. In 2012, 2013, and 2014 Vietnam launched its largest crackdown on activists, religious leaders, bloggers, and other civil
society leaders in over a decade. Hanoi also passed a law forcing Internet providers to block and filter content more thoroughly; the law was one of the most restrictive online speech laws in the world. Meanwhile, in Laos, which had in the 1990s and early 2000s opened up to the world, admitting foreign nongovernmental organizations (NGOs), relaxing controls on the Internet, and building better relations with industrialized democracies, the government has resumed a tight grip over politics and society. In 2012, Vientiane shuttered one of the few radio shows that discussed Lao politics and began forcing foreign aid workers who made even mildly critical public comments about the government to leave the country.

There are numerous reasons for Southeast Asia’s democratic regression, many of which were explored in a previous CFR Working Paper. They include the poor quality of leadership among the first generation of elected presidents and prime ministers in Southeast Asia; the unwillingness of many Southeast Asian elites to accept that electoral democracy might mean that poor people, who remain the majority in many of these nations, would control the fate of elections; the rise of China as an alternative model of authoritarian development; the failure of ASEAN to effectively advocate for democracy and human rights; and the mistaken decision by several Southeast Asian leaders to link democratization with rising growth.

Many of the reasons for democracy’s failure in the region are thus unrelated to outside powers. But in Southeast Asia the White House’s policy not only has distracted U.S. attention from the more strategically important nations in the region but has also accelerated democratic backsliding. The pivot’s contribution to democratic regression harms U.S. strategic interests in the region because U.S. policy—primarily military-to-military ties—is alienating young Southeast Asians, who will be the future regional leaders and who overwhelmingly support democratic change. In addition, as Southeast Asian nations regress politically, they often become more unstable. This instability is making economic, diplomatic, and strategic partnership with the United States harder, since these nations—such as Thailand—become increasingly focused on their own domestic turmoil.

**MILITARY-TO-MILITARY TIES**

Of the pivot’s components in Southeast Asia, the most serious damage to democracy in the region has been done by growing U.S. military ties with several mainland Southeast Asian nations. The increase in military-to-military relations with Southeast Asian nations resulting from the pivot has not upheld promises that these ties would help make armed forces more accountable and less abusive. Indeed, a Government Accountability Office (GAO) analysis of International Military Education and Training programs and other military-to-military training programs showed that although human rights training is supposed to be a core part of IMET’s curricula, in reality the training programs rarely discuss human rights. The report noted that of twenty-nine training plans for officers from different countries attending IMET, only eleven even mentioned human rights education as a goal of the program. And as political scientists Caverley and Savage show in their study of military training programs, the majority of IMET course managers interviewed by the GAO said that human rights simply were not a priority in their training programs.

From extensive interviews with participants and observations of the behavior of Southeast Asian officers from many Southeast Asian nations, these conclusions hold true for growing military-to-military ties and training programs for Southeast Asian officers.
**Thailand**

The Obama administration has deemed its close relationship with the Thai armed forces necessary to bilateral cooperation on regional security, narcotics interdiction, counterterrorism, and intelligence gathering. To maintain the relationship, the administration has continued and expanded joint exercises with the Thai military, despite Thailand’s severe political regression. Of all the nations in Southeast Asia, Thailand has suffered the most serious democratic rollback, and it is also historically the United States’ major ally in Southeast Asia—a place where Washington could exert significant pressure for a return to democracy.

Yet the Obama administration’s desire for stronger military and diplomatic relationships throughout Southeast Asia also appears to have made the United States reluctant to take significant action when elected governments in the region are overthrown or undermined. Most notably, after the May 2014 coup in Thailand, Secretary of State Kerry condemned the putsch and the Obama administration suspended some military aid to Bangkok—as it is required by law to do—but stopped short of applying tougher sanctions. Harsher measures could have included: asset freezes and travel bans on military leaders, a strategy employed by Australia; an announcement that the United States would move the massive Cobra Gold joint exercises to another location for at least several years; or a suspension of some official contacts with Bangkok, a sanction imposed by the European Union.

Indeed, the Obama administration has not moved the 2015 Cobra Gold joint exercises, the largest in Asia, out of Thailand, a gesture that was interpreted by the Thai government as a sign of continuity in U.S.-Thailand relationship despite the coup.

Coups have become increasingly uncommon worldwide—militaries launched coups about twice as often in the 1960s as they did in the 2000s. But Thailand has had three coups in the past two decades alone and eighteen coups since the end of the Thai absolute monarchy in 1932. The country has developed what one Thai politics specialist called Thailand’s “coup culture,” in which elites have come to believe that there will never be any punishment for coup-makers. The army thus continues to launch coups every time Thailand faces domestic political conflict. As a result, other institutions that develop to mediate conflicts in emerging democracies, such as strong judiciaries, independent bureaucracies, government watchdogs, and a free press remain weak and ineffective in Thailand.

While maintaining close relations with Thailand, the Obama administration has deemphasized democracy promotion in much of its assistance in the kingdom and in other parts of Southeast Asia. Overall, according to a study of U.S. spending on democracy promotion by Thomas Carothers of the Carnegie Endowment for International Peace, U.S. aid targeted toward democracy promotion has fallen by about 28 percent since Barack Obama became president. The falloff has been even more significant at USAID, traditionally one of the biggest providers of democracy assistance. Since Barack Obama became president, funding for USAID democracy promotion programs has dropped by about 38 percent, according to Carothers’ study.

In Southeast Asia, the White House has both cut funds for democracy promotion and combined democracy promotion and governance programs. Consolidating the two programs has limited the time embassy staffers and contractors spend on democracy and civil society promotion, which had long been sources of friction between mainland Southeast Asia’s governments and the United States. The administration also has sought, in its fiscal year 2015 budget, to get Congress to eliminate the Brownback amendment, a provision passed in 2005 that bars any American administration from requesting foreign governments’ approval to allocate democracy promotion aid to embassies, NGOs,
and consultants working in those countries. The amendment was designed to ensure that authoritari-
and governments could not simply block American aid projects. The White House is pushing to re-
ome the amendment, which has been another source of tension between the United States and au-
thoritarian regimes.33

The Obama administration has defended its stance toward Thailand by saying that it is waiting to
assess how the Thai military prepares a transition to electoral democracy. But five months after the
coup, it is evident that this putsch is what some Thais call a “hard coup,” to differentiate it from earlier
“soft coups” that quickly gave way to electoral democracy again.34 The military has released only a
vague timetable for a return to democratic rule and made clear that when the army leader-turned
prime minister actually steps down, Thailand will not return to electoral democracy by any standard
definition. Thailand’s parliament could become an institution with some members appointed (prob-
ably by the military and the royal family) and many members selected by educated groups of peo-
ple—coded language for saying that most of the parliament would be chosen by Bangkok elites, in
the same way that Hong Kong’s legislature is mostly chosen by Beijing and a small handful of pro-
Beijing Hong Kong elites.35 In addition, the Thai government has since May 2014 repressed civil lib-
erties extensively, detaining hundreds of activists, academics, journalists, and opposition politicians
for reeducation sessions that allegedly included various types of torture.36

Malaysia

Although there have not been coups in other Southeast Asian nations since 2009, the Obama admin-
istration has offered only muted criticism when electoral democracy in Southeast Asia has been
thwarted in other ways. In Malaysia, for example, three days after parliamentary elections in May
2013, the White House congratulated Prime Minister Najib tun Razak’s coalition on winning control
of parliament. The congratulations came even though Najib’s coalition had lost the popular vote to
the opposition and election monitors had reported that the coalition would have lost a majority in
parliament, too, if not for widespread fraud. In contrast, other democracies like the European Union
were much more cautious about endorsing the ruling coalition’s alleged victory. In April 2014, when
President Obama visited Malaysia, he declined to meet with opposition leader Anwar Ibrahim, who
had led the coalition against Najib in May 2013. Anwar recently had been charged with sodomy,
charges that would have been thrown out by any impartial court, given the shakiness of the evi-
dence.37 The president instead spent a mere fifteen minutes during the visit to Malaysia at a session
with “Malaysian civil society,” a handful of Malaysians who received photo opportunities and about
five minutes of actual discussion with Obama.38 After Anwar, who remains free until final sentencing
in his case, visited Washington in November 2014, the Obama administration belatedly noted
Anwar’s case and the general rollback of civil liberties in Malaysia. In December, Vice President Joe
Biden tweeted that “Anwar Ibrahim’s appeal gives Malaysia a vital chance to make things right and
promote confidence in its democracy and judiciary.”39 However, the White House’s criticisms of Ma-
laya remained mild compared to critiques from other leading democracies. U.S. Ambassador to
Malaysia Joseph Yun, speaking to reporters, merely noted that the United States was “puzzled” by
Najib’s decision to retain a sedition law left over from Malaysia’s colonial period, which Najib had
promised to eliminate. The sedition law has been used by Najib’s government to detain opposition
politicians, civil society activists, and other government critics.40
Cambodia

The White House took little action after the opposition Cambodian National Rescue Party seemed to have the 2013 national elections stolen from it by Prime Minister Hun Sen’s ruling Cambodian People’s Party. Hun Sen supporters allegedly committed massive fraud during vote counting. Furthermore, the country’s highly partial election commission, dominated by Hun Sen loyalists, finally declared that the Cambodian People’s Party had won the most seats in parliament. The opposition’s leaders appealed to foreign donors including the United States to push for a recount monitored by impartial observers or a new election; foreign donors provide more than 50 percent of Cambodia’s budget and thus could have significant influence in Phnom Penh. Instead, the United States and other donors applied minimal pressure on Hun Sen and did not halt joint exercises with the Cambodian armed forces. The Obama administration approved a congressional spending bill that suspended only a tiny portion of American aid to Cambodia. In 2014, the opposition coalition, realizing it had failed to rally international backing for pressure on Hun Sen, settled for a deal through which Hun Sen’s party retained control of parliament and all other essential institutions of government, according to several opposition leaders.

Myanmar

The Obama administration also has largely ignored the threat that Myanmar’s 2015 national elections, the first contested national elections in the country since 1990, will be sabotaged by the military and its favored political party, the Union Solidarity and Development Party (USDP). Well before the 2015 elections, Myanmar political scientists and many foreign diplomats in Yangon report that the USDP and the military are building up paramilitary squads that could be used for intimidation on election day. The potential intimidation could range from distributing cash to co-opt opposition supporters to purposefully instigating Buddhist-Muslim violence to show the public that an unstable Myanmar cannot be turned over to a political opposition with no experience in governing. The Obama administration has continued its rapid rapprochement with the Myanmar government, including restoring military-to-military ties. President Obama hosted Thein Sein in Washington in 2013 and has allowed Myanmar army officers to participate in the Cobra Gold military exercise. During a visit to Myanmar in November 2014, Obama noted some challenges to Myanmar’s democratization but expressed great confidence in the country’s reforms, despite significant evidence that the reforms are seriously endangered.

Alienating Young Southeast Asians

Military-to-military ties with abusive armed forces, tolerance of coups, and ignorance of fraudulent or overturned elections have imperiled the United States’ long-term relationship with younger Southeast Asians. These young men and women will be the future of Southeast Asia and have repeatedly expressed their preference for democratic change in polls and by voting for reformist opposition parties in countries like Myanmar, Malaysia, and Indonesia. For now, young people in much of the region also tend to have relatively positive views of the United States and of strategic ties with the United States, a contrast with popular anti-Americanism in regions like Latin America and the Middle East. It is thus unlikely that, as might happen in a place like Saudi Arabia, free elections in any
Southeast Asian nation would bring to power politicians more anti-American than the authoritarian leaders currently in place in countries like Malaysia or Thailand.

Alienating younger generations will have serious long-term repercussions for the United States’ ability to sustain relationships with Southeast Asian partners. Young Malaysians, for instance, overwhelmingly support the opposition Pakatan Rakyat coalition, which won the popular vote in national parliamentary elections in 2013 but did not take control of parliament due to fraud and massive gerrymandering.44 Similarly, in Cambodia, young, urban Cambodians overwhelmingly supported the opposition coalition in the 2013 national elections.

In Malaysia, Cambodia, Thailand, and other countries in the region, many reform-minded young people have been mystified when the United States, which a decade ago had been so vocal about democracy in Southeast Asia, and which still has significant influence in the region, has taken little action after elections are undermined, coups launched, and election victors defrauded. In previous eras, American rhetorical support for democracy, American pressure against authoritarian leaders, and American linkage of aid and investment to political change had played a critical role in fostering democratization in East Asia. In the 1980s and early 1990s, concerted American pressure on the governments of the Philippines and South Korea—afer years of American tolerance of Ferdinand Marcos and a series of South Korean dictators—was a major reason why democracy prevailed in Manila and Seoul.45 A decade after Marcos gave way to the “People Power” movement, sustained foreign pressure on governments in Cambodia, Indonesia, and Malaysia, in addition to many other domestic factors within these countries, helped precipitate political reform in these nations.

**PROMOTING INSTABILITY**

Beyond alienating future Southeast Asian leaders, democratic regression in many Southeast Asian nations is harming long-term U.S. interests in the region in other ways. Democratic regression is likely to make Southeast Asia more unstable. Overall, numerous studies of political regimes and conflict have shown that hybrid or authoritarian governments are more susceptible to facing prolonged internal conflict or even civil war than democracies.46 Countries that sustain democracy, too, tend to be more stable in their growth rates, even when those rates over time are roughly equivalent to authoritarian peers. And over time, democracies also tend to provide the kind of transparency and stable growth that investors desire. In the World Bank Group’s rankings of countries by ease of doing business, nearly all of the countries in the top ten are democracies except for Hong Kong.47

In Thailand, for example, a country that long was one of the most reliable American partners in Asia, the Obama administration has actually struggled to work with Bangkok on many important strategic and economic issues, largely because Thai leaders are so preoccupied with domestic crises. These crises will recur in Thailand as long as democratic freedoms are repressed. In contrast to Thailand, Philippine President Benigno Aquino III has presided over a period of relative stability, transparency, and strengthening of democratic institutions. In early 2014, the Aquino government signed a landmark peace agreement with the largest insurgent group in the country, the ten-thousand-member Moro Islamic Liberation Front, potentially ending three decades of war in the southern Philippines.

As in Thailand, the Najib government in Malaysia has in the past three years been so distracted by domestic political turmoil, itself a result largely of the ruling coalition’s electoral fraud and crackdown on dissent, that despite strong U.S. support Malaysia has proven an often useless partner on trade
talks, regional economic cooperation, and security issues. (Bilateral intelligence cooperation is a notable exception.) Malaysia is also stagnating economically. The ruling coalition, forced to rely increasingly on conservative ethnic Malay votes to win elections, has poured money into vastly indebted and poorly managed sovereign wealth fund 1Malaysia Development Berhad (1MDB), failed to privatize state companies, and reversed course on earlier pledges to end policies that require boards of all large companies to employ a certain number of Malays and which have led to bloated and often corrupt corporate boards.

Although Vietnam’s authoritarian government also harshly represses civil liberties and political freedoms, the significant strategic value of the U.S.-Vietnam relationship makes it worthwhile for the United States to continuing building a close partnership with Hanoi. In addition, unlike in Myanmar or Thailand, the Vietnamese government, though repressive, has fostered political stability and has clear control over the armed forces. Though Hanoi certainly is guilty of a wide range of human rights abuses, the Vietnamese military itself is, in many respects, less abusive and more professional than those of Myanmar or Thailand. Moreover, polls show young Vietnamese overwhelmingly support closer strategic and economic ties to the United States, and do not seem to see the U.S.-Vietnam relationship as bolstering the Communist Party in the way that many reform-minded Thais, Malaysians, and Cambodians see the United States as bolstering autocratic leaders in their countries. Whether or not this Vietnamese perception is accurate, the enthusiastic support among young Vietnamese for closer relations with the United States probably precludes a sharp rise in anti-Americanism in Vietnam in the near future. In addition, U.S. support for the Vietnamese government does not appear to translate into popular sentiment in Vietnam that the U.S. government is prolonging the life of an authoritarian regime.
Recommendations for the United States

Instead of continuing a low-reward and high-effort process of rapprochement with mainland Southeast Asia, Washington would benefit by rethinking its relationship with the region. For one, the United States should focus greater attention on three peninsular Southeast Asian nations—Indonesia, Singapore, and the Philippines—and on Vietnam. These four countries offer greater economic and strategic upsides than most of the countries in mainland Southeast Asia, and—with the exception of Vietnam—share the United States’ political values.

Although Vietnam is an authoritarian regime, the sizable strategic benefits of a closer relationship with Hanoi make pursuing closer ties worth the cost to Washington’s reputation for promoting democracy in Asia. Moreover, the Vietnamese military operates professionally and under civilian control, unlike the militaries of Myanmar and Thailand, and the Vietnamese public, rightly or wrongly, does not perceive growing U.S. support for Hanoi as akin to U.S. support for one-party leadership.

In addition to pursuing closer ties to these four nations, the United States should alter the direction of its relationship with mainland Southeast Asian countries other than Vietnam. The United States should scale back the pace at which Washington is building military ties with the rest of mainland Southeast Asia, and it should institute a more effective oversight process of its military training programs for Southeast Asian armed forces. The United States should renew its emphasis on democracy promotion in Southeast Asia, building relations with broad segments of the population in these nations and taking stronger action if democratically elected governments are overthrown by coups or other undemocratic means.

UPGRADING TIES TO PENINSULAR SOUTHEAST ASIA

- The United States should follow through on its promises to make the pivot more than just a shift of military assets. Currently, the pivot is perceived by many Southeast Asian opinion leaders as a military policy first and foremost. This perception stems from the fact that although the Obama administration has repeatedly emphasized that the pivot is not solely about military assets, it has not implemented policies that follow through on this promise. The White House could make the pivot more comprehensive by working with Congress to pass trade promotion authority and by using that victory to convince Asian leaders that the Trans-Pacific Partnership (TPP) has a significant chance of passing and that they should make the concessions necessary to strike a deal on the TPP. The White House also could follow through on promises to use more cabinet-level visits to the region to promote U.S. investment in Southeast Asia.

- The United States should build on the new, ten-year Enhanced Defense Cooperation Act signed between Washington and Manila in April 2014. The United States should increase the size of the annual
U.S.-Philippines Balikatan (Shoulder-to-Shoulder) joint exercises. The United States should also use these exercises to rapidly improve the interoperability of naval forces, in case of a conflict involving the Philippines in the South China Sea. The exercises should focus on significantly improving communication channels between U.S. naval forces and Philippine forces, delineating common procedures for dispatching initial naval groups into the South China Sea in the initial days of a crisis, and developing shared long-term strategies for mitigating the possibility of conflict in the South China Sea. Currently, U.S. naval and marine forces do not have the interoperability with their Philippine counterparts that the United States enjoys with counterparts from Singapore and Thailand. In addition, Washington should expand other aspects of its relationship with the Philippines by increasing the number of Foreign Service officers at the embassy in Manila, adding foreign commercial officers, and encouraging the Philippines to work toward closer strategic cooperation with other U.S. partners in the region, such as Vietnam.

- **The United States should covertly approach the Singapore government about the possibility of signing a formal treaty alliance.** A treaty alliance would guarantee U.S. access, in the event of conflict in Asia, to Singapore’s Sembawang Air Base and Changi Naval Base, which is large enough that it can berth an aircraft carrier and would be critical to U.S. naval operations in the South China Sea. In the past, although Singapore has been the United States’ closest strategic partner in Southeast Asia, the Singapore government has declined to sign a treaty alliance for fear of needlessly provoking China, with whom Singapore maintains a cordial, though wary, relationship. However, given China’s recent behavior in Southeast Asia, the Singapore government may be willing to more openly embrace its relationship with the United States. In light of Singapore’s past concerns about alienating China, the U.S. government should conduct possible treaty talks with Singapore in secret. Even if the Singapore government ultimately decides to reject a formal treaty alliance with the United States, making clear that Washington is and remains willing, in the future, to sign a treaty will address Singaporean concerns that the United States is not committed to the city-state’s long-term defense.

- **The United States should build on its comprehensive partnership with Vietnam.** In building closer ties with Vietnam, the U.S. government should end the ban on selling lethal arms to Vietnam, expand access for American naval vessels at Cam Ranh Bay, increase training programs for senior Vietnamese officers, and institutionalize the annual U.S.-Vietnam strategic dialogue at a higher level, ensuring that the secretary of defense and his or her Vietnamese counterpart participate every year.

- **The United States should set up a working group within the U.S. government to approve each arms sale to Vietnam for the first two years and to monitor how the arms are used, including whether they are used against Vietnamese civil society.** Provided the arms are not used against the Vietnamese population, after two years the working group would not have to approve each sale, though it would continue to monitor how the arms are used. If the working group believes U.S. arms are being used against civilian populations, it could recommend at any time that the United States should halt weapons sales to Vietnam. After two years, the United States also should consider offering Vietnam greater economic assistance to help it purchase U.S. arms, which are far more expensive than the Russian arms Vietnam currently buys. The United States, which already has promised to provide Vi-
etnam with coast guard vessels, should begin this two-year period by offering to sell Vietnam five or fewer armed naval vessels; at the end of the two-year period the United States should offer to sell Vietnam any quantity of naval vessels or land-warfare arms.

- The United States should make a concerted effort to fulfill the promises of the U.S.-Indonesia Comprehensive Partnership. Although the partnership was announced with great fanfare, it has resulted in only modest gains in the bilateral relationship. In July 2014, Indonesia elected a vibrant new president, Joko Widodo, who is seen as an example of a committed democrat by many other developing nations. The United States should work with Joko Widodo’s administration by broadening the annual bilateral dialogue so that it includes both the U.S. and Indonesian president and at least two or three other cabinet-level officials. The United States also should ensure that senior cabinet officials regularly visit Jakarta to promote trade, bilateral diplomatic relations, and U.S. investment in Indonesia.

REVAMPING MAINLAND SOUTHEAST ASIA POLICY

- The United States should immediately halt the expansion of military-to-military relations with Myanmar, Cambodia, and Laos until these countries demonstrate more complete civilian control of their armed forces. Halting this expansion would mean stopping joint exercises with the Cambodian military, and putting on hold plans for exercises with the Myanmar and Lao militaries. The United States should resume expanding military relations with these nations when they demonstrate that their militaries can work under civilian command; evidence of such civilianization would include removing legislation that allows the military to take a central role in parliamentary politics and disassembling military units that operate outside of the normal chain of command. The United States also should institute more robust oversight of the invitation process that brings military officers from all Southeast Asian nations, not only these three countries, to IMET trainings and joint exercises, to ensure that it is not inviting officers with records of rights abuses. Such oversight should include more regular Department of Defense Inspector General analyses of IMET trainings and making lists of officers invited to trainings publicly available.

- The United States should slow the pace of building closer diplomatic ties with Myanmar until after the 2015 national elections are concluded in a free and fair manner. This slowdown would include stopping plans to reestablish a USAID mission in Myanmar and halting visits by senior U.S. officials to Myanmar until after the 2015 elections. This slowdown is in the interests of both the Myanmar people and the United States, since the 2015 elections will be a marker of whether Myanmar can make a successful transition to democratic rule. If Myanmar fails to hold free elections in 2015, and the United States continues the process of rapprochement anyway, the United States will be perceived as supporting an authoritarian Myanmar government that denied the wishes of Myanmar voters. If Myanmar holds elections in 2015 that are declared free and fair by leading international observers, and allows the winner of those elections to take power, the United States should continue with plans to establish a USAID mission in Myanmar, restore high-level visits, and upgrade diplomatic ties with the country.
The United States should refocus on democracy promotion in mainland Southeast Asia. Reemphasizing democracy promotion would broaden U.S. relationships beyond simple ties to Southeast Asian leaders, cultivating relations with large numbers of young Southeast Asians and reinvigorating U.S. support for Southeast Asian civil society. The United States should renew its focus on democracy promotion by restoring worldwide democracy-promotion funding to 2009 levels. The United States should shift the budget of USAID programs focused on democracy, the National Endowment for Democracy, and USAID’s Office of Transition Initiatives to cover more of Southeast Asia. Currently, according to a report by the Senate Foreign Relations Committee, the United States only devotes roughly 4 percent of its global aid spending to Asia, a miniscule amount given the population of developing Asia.48 In addition, the United States should decouple aid money targeted for improving governance in Southeast Asia from aid money targeted for democracy promotion and should immediately stop providing democracy promotion aid to any government-linked organizations in Southeast Asia’s authoritarian states.

The United States should make clear to Southeast Asian leaders that it will respond harshly to future democratic reversals in the region, including coups. Myanmar, Thailand, Laos, the Philippines, Timor-Leste, and Indonesia all have suffered coups, attempted coups, or other types of military interventions in politics within the past fifteen years. Myanmar, Thailand, and Laos are run by military-dominated regimes today, and in the Philippines and Indonesia the military wields greater influence over politics than is healthy in a democracy. In bilateral exchanges with senior military leaders from these nations, and at regional security summits like the ASEAN Regional Forum, U.S. officers and civilian leaders in the Pentagon and the State Department should make clearer that future coups or other attempts to overturn elected governments, like military rigging of elections, will be treated severely by the United States. Coups or other military interventions in politics will be met with immediate halts to most U.S. military-to-military relations with that nation and with other possible measures such as targeted U.S. sanctions applied to the assets of senior military leaders involved in political overthrows.
Conclusion

Although the concept of the pivot—reinvigorating U.S. relations with the countries of Southeast Asia—initially appeared to be a step forward from American disinterest in the region throughout much of the 2000s, the Obama administration’s Southeast Asia policy has wasted precious diplomatic and military resources on the wrong nations. In particular, it has been wasteful at a time when U.S. diplomatic, aid, and military budgets are shrinking, the United States remains involved in conflicts in the Middle East, and the U.S. public has grown increasingly isolationist. At this time, the United States needs to make hard decisions about where to expend its diplomatic, military, and economic capital, and mainland Southeast Asia thus should be a low priority. Indeed, the upsides of enhanced relations with mainland Southeast Asia, except Vietnam, have been wildly overstated by the White House and some American Southeast Asia specialists.

The Obama administration’s Southeast Asia policy also has had pernicious effects that, in many ways, have undermined any benefit the United States might have gained from the pivot. By boosting ties with authoritarian states in mainland Southeast Asia, the Obama administration is undermining its own claims to be supporting democracy in the region (and worldwide). It has blurred any distinctions between the United States’ Southeast Asia policy and China’s Southeast Asia policy, and actually damaged long-term U.S. interests in the region by facilitating democratic regression and alienating large numbers of Southeast Asian men and women.

With three years left in Barack Obama’s presidency, the White House has time to reconfigure its Southeast Asia policy and leave in place for its successor a policy more aligned with U.S. values and more conducive to the United States’ long-term interests in Asia. A shift in the pivot would, in some ways, require an admission that some aspects of Southeast Asia policy were mistaken and, perhaps, overoptimistic. Focusing Southeast Asia policy on the four countries that are more important strategically, and (with one exception) most aligned with American values would achieve the goal of ending Obama’s presidency with the most effective Southeast Asia policy possible.

In addition, rethinking the pivot in Southeast Asia might help slow and even reverse the region’s democratic regression. This change would be beneficial not only for men and women seeking freedom throughout Southeast Asia but also for the United States’ long-term interests, which are best served by the spread of stable democracies. The United States still has more leverage to foster democracy in Southeast Asia than some in Washington currently believe. Using that influence will help endear the United States to rising generations in Southeast Asia and will ensure that Washington’s partnerships with the region last well into the twenty-first century.
Author’s Bio

Joshua Kurlantzick is senior fellow for Southeast Asia at the Council on Foreign Relations. Kurlantzick previously was a scholar at the Carnegie Endowment for International Peace, where he studied Southeast Asian politics and economics and China’s relations with Southeast Asia, including Chinese investment, aid, and diplomacy. Previously, he was a fellow at the University of Southern California Center on Public Diplomacy and a fellow at the Pacific Council on International Policy. Kurlantzick has also served as a columnist for Time, a special correspondent for the New Republic, a senior correspondent for the American Prospect, a contributing writer for Mother Jones, and a correspondent in Southeast Asia for the Economist. He also serves on the editorial board of Current History. Kurlantzick is the winner of the Luce Scholarship for journalism in Asia and was selected as a finalist for the Osborn Elliot prize for journalism in Asia. His first book, Charm Offensive: How China’s Soft Power Is Transforming the World, was nominated for CFR’s 2008 Arthur Ross Book Award. His most recent book is Democracy in Retreat: The Revolt of the Middle Class and the Worldwide Decline of Representative Government.
Endnotes

2. In this paper, East Asia does not include Australia, which is usually analyzed separately, although Australia is an important ally and has played a major role in the pivot.
3. For more on this topic, see Joshua Kurlantzick, *Charm Offensive: How China’s Soft Power Is Transforming the World* (New Haven: Yale, 2007). China is now the largest aid donor to Cambodia and Laos, and possibly to Myanmar as well.
6. Author interviews with congressional staff and Burma rights activists, Washington, DC, March 2014.
10. Author interviews with Obama administration officials focused on Asia, Washington, DC, January 2010 and March 2010.
11. He has since been promoted to lieutenant general.
14. Emphasis with italics added by the author of this working paper.
17. Author interviews with Myanmar officials, Yangon, December 29 and 30, 2013.
28. Author interviews with Thai and Malaysian officers, Bangkok, December 27 and 28, 2013
35. Ibid.
37. The author does not believe that sodomy should be considered a crime at all, but it is a crime in Malaysia; even so, the evidence presented against Anwar was circumstantial and, in many respects, clearly falsified. 
40. Ibid.