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NAVIGATING SEA

ANCHORING THE U.S. IN THE PACIFIC REGION

GREETINGS

We are living in very precarious times, particularly when it comes to U.S. foreign policy. With the election of Donald Trump, the signature U.S. approach to East Asia under the Obama administration—known as “pivot” or “rebalance”—left the front stage. Meanwhile, as China’s influence continues to expand with the introduction of its One Belt, One Road initiative and its forceful display of power in both the South and East China Seas, questions surrounding U.S. commitment in the region have grown. How can the new Trump administration contribute to regional stability and prosperity? What can we learn from the Obama administration’s successes and shortcomings in the region? How can the views from Southeast Asia be reflected? With these questions in mind, a group of 19 students, eight from the University of Southern California (USC) and 11 from Singapore Management University (SMU), came together in a class named “America’s Pacific Century” to analyze U.S. foreign policy toward Southeast Asia and formulate recommendations in the form of this Policy Task Force Report.

The program commenced in April 2017 with a series of lectures about the political, economic, cultural, and social backgrounds of the United States and Southeast Asia. The students met with experts from a wide range of institutions, from the U.S. State Department in Washington to the Asia-Pacific Economic Cooperation (APEC) Secretariat in Singapore, as well as embassies from both sides of the Pacific. In addition, classroom dialogue between the students from Singapore and the United States expanded perspectives and understanding of both the issues and each other.

The students then grouped themselves into teams based on four important arenas of U.S.-Southeast Asian relations—economics, security, human security, and public diplomacy. Armed with information gathered from several research launch symposia and interviews conducted in the United States and in Singapore, the students brainstormed policy recommendations for the new administration. This culminated in a presentation at the American Chamber of Commerce in Singapore where we received invaluable feedback, which was then incorporated into this Report.

This year’s group, in particular, worked very hard and well as a team to put the presentation and the Report together. The two professors (James T. H. Tang and Saori N. Katada) guided the process, and Bret Schafer edited the final draft. The students, nonetheless, have full intellectual ownership of this Report and its policy recommendations.

Lastly, and most importantly, we would like to extend our gratitude to many people who have helped make this program a success, and have enabled our students to produce this Report. The time that our interviewees devoted to us was indispensable, and we are deeply grateful for their insights and expertise. We also greatly appreciate the support of the administrative assistants from USC and SMU for their efforts in arranging this program and making it a success.

We are delighted to present to you “Navigating Southeast Asia (SEA): Anchoring the U.S. in the Pacific Region,” from the USC-SMU Joint Program.

James T. H. Tang
Saori N. Katada

July, 2017

EXECUTIVE SUMMARY

With the Obama administration’s “pivot” to Asia, the United States recognized the growing economic and diplomatic importance of the region and the need to engage Southeast Asia as a cooperative partner. The importance of U.S.-Southeast Asian relations cannot be overstated; from combatting security concerns in the South China Sea and the Korean Peninsula, to issues as diverse as trade relations, human trafficking, and cybersecurity, the United States must strengthen its bilateral and multilateral ties to Southeast Asian nations.

This report highlights U.S. interests in Southeast Asia, while recognizing the priorities of President Donald Trump’s new administration, namely its emphasis on global security issues as well as the “America first” approach to economic considerations. Nonetheless, it takes the position that issues that may be considered secondary to the new administration are, in fact, fundamentally critical to its primary considerations. Moreover, the transnational nature of many of the issues facing Southeast Asia as well as the intersecting interests and concerns of the United States and many Southeast Asian nations, demands a U.S. foreign policy that recognizes that U.S. interests are strengthened by further engagement and a deepening of ties with Southeast Asia.

There are three main areas explored in this task-force report: economics, geopolitical tensions, and human security. Within these main topic areas, we explore why each issue is important in the context of U.S. interests and national security, and we offer policy recommendations to the new administration to address each issue. We have based our recommendations on a common foundation of multilateralism and capacity building, which are the two main underlying threads tying our recommendations together.

Finally, we conclude that a withdrawal from the region would undermine the integrity of the United States’ current engagements, leaving smaller states to gravitate toward large powers in the region—most notably China. The United States can therefore not afford to withdraw as an active player in Southeast Asia. Doing so increases the risk of regional instability, adversely affecting U.S. economic and security interests in the region, while undermining U.S. leadership and influence—considerations that are all the more critical with the rising presence of China in the region.

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INTRODUCTION

Four months into Donald Trump’s presidency, an array of challenges present themselves to the new administration as they formulate America’s future foreign policy in Southeast Asia. This task-force report evaluates post-pivot U.S. policies in the region and outlines policy recommendations for the Trump administration.

With the backdrop of China’s rise, the United States strives to maintain stability in Southeast Asia in collaboration with the leaders, governments, and organizations in the region. In turn, Southeast Asian governments and the Association of Southeast Asian Nations (ASEAN) look toward the United States to maintain regional order, stability, sustainability, and prosperity.

The Trump administration is committed to a foreign policy focused on American interests and American national security.¹ Certain key objectives of the administration, however, include a shift toward more domestic, inward-looking policies, including boosting America’s own economy. Thus, the United States will seek to strike a balance between maintaining relations with foreign states and protecting American interests—a promise made by President Trump on the campaign trail.

Considering the specific interests and priorities of an “America first” foreign policy, our recommendations focus on three main issues that are most relevant to the current administration: economics, geopolitical tensions, and human security.

U.S. Foreign Policy Goals and Objectives

Drawing upon official White House statements and interviews conducted in Los Angeles, Singapore, and Washington, D.C., this report seeks to define U.S. foreign policy objectives in Southeast Asia within the context of the Trump administration’s stated commitment to a foreign policy focused on American interests and American national security.

1. American Interests

During the 2016 presidential campaign, the main rhetoric propelling then-candidate Trump into the White House was his promise to put America first. This promise includes bringing jobs back to the United States and narrowing the U.S. trade deficit.² There is also a shift away from multilateral trade agreements and an increased emphasis on bilateralism.³ This report will examine the benefits and drawbacks of both methods of cooperation, and propose foreign policy options that support U.S. economic and security interests.

¹ “America First Foreign Policy.” *The White House*, 08 Mar. 2017, www.whitehouse.gov/america-first-foreign-policy.

² Ibid.

³ Gertz, Geoffrey. “What Will Trump’s Embrace of Bilateralism Mean for America’s Trade Partners.” *Brookings*, 08 Feb. 2017, www.brookings.edu/blog/future-development/2017/02/08/what-will-trumps-embrace-of-bilateralism-mean-for-americas-trade-partners/.

2. American National Security

2.1 Maintaining Global Stability

Despite the president's isolationist rhetoric, the United States has continued to support military efforts in the Asia-Pacific, including Freedom of Navigation Operations (FONOPs) in the South China Sea.⁴ The president has also engaged leaders in the region to discuss matters regarding North Korea's nuclear weapons program.⁵ These efforts show that the Trump administration has been and will continue to be committed to maintaining global security and stability in the region.

2.2 Counter-Terrorism

Since the September 11, 2001 terror attacks in New York City and Washington, D.C., America has invested significant resources into counter-terrorism measures.⁶ President Trump has strongly supported such measures, and has made defeating ISIS and other radical terror groups one of his administration's main foreign policy priorities.⁷

Counter-terrorism differs from the first foreign policy goal of maintaining global stability in the sense that terrorist efforts are seen to come from non-state actors. As such, actions to counter terrorism will include working with other states through joint military exercises and coordinating efforts to disrupt funding to terrorist cells.

Why Southeast Asia is Important to the United States

The shift in geopolitical power from West to East has demanded greater U.S. attention toward Southeast Asia in recent years. Southeast Asia prevails as an essential strategic partner for the following reasons:

1. Key Strategic Economic Partner

Even as the current administration maintains an "America first" posture, it should remain cognizant that the continued growth and development of Southeast Asian economies favors the strategic interests of the United States. The region is a hub for global trade, and it is home to one of the fastest growing economic blocs in the world. With a forecasted annual growth of over 5%, Southeast Asia is projected to overtake the EU and Japan to become the 4th largest economy worldwide by 2050.⁸ Reports have also underscored that the United States invests more in the ASEAN region than in China, India, Japan, and South Korea combined. ASEAN members also collectively rank as the 4th largest export market for the United States, with over \$100 billion in goods and services exported from

⁴ Panda, Ankit. "The U.S. Navy's First Trump-Era SCS FONOP Just Happened: First Takeaways and Analysis." *The Diplomat*, 25 May 2017, <http://thediplomat.com/2017/05/the-trump-administrations-first-south-china-sea-fonop-is-here-first-takeaways-and-analysis/>.

⁵ Murphy, Patrick. "The U.S.-ASEAN dialogue -- Special Briefing." *State Department* 04 May 2017, www.state.gov/r/pa/prs/ps/2017/05/270660.htm.

⁶ "U.S. Budgetary Costs of Wars Through 2016: \$4.79 Trillion and Counting." *Watson Institute International and Public Affairs*, Sep. 2016, <http://watson.brown.edu/costsofwar/figures/2016/us-budgetary-costs-wars-through-2016-479-trillion-and-counting>.

⁷ "America First Foreign Policy."

⁸ Limaye, Satu P. "ASEAN Matters for America, American Matters for ASEAN." *East-West Centre*, May 2017, www.usasean.org/system/files/downloads/asean_matters_for_america.pdf.

the United States annually.⁹ Exports of American goods to Southeast Asian countries have increased by 58% since 2010,¹⁰ while U.S. exports of services are up by 11.7% from 2014. All 50 U.S. states export goods to Southeast Asia, supporting a half million jobs in the United States.¹¹ Thus, it is vitally important to the U.S. economy that there is continued engagement with the region.

2. Sole Regional Platform for Engagement

The ASEAN bloc stands at the center of the dynamic Asia-Pacific region, and it is positioned as the principal forum for U.S. diplomatic engagement with regional players. Enhanced U.S.-Southeast Asia cooperation is especially vital as the United States seeks to guarantee its security interests in the region. The unsettled security equilibrium, epitomized by the North Korean nuclear threat and burgeoning Chinese belligerence in the South China Sea, has made engagement with regional leaders increasingly necessary.¹² A move to deepen ties with Southeast Asia thereby aligns with the current administration's security agenda as it navigates the complexities and sensitivities within the region.

Why the United States is Important to Southeast Asia

1. Assistance in Promoting Economic Growth and Development

The U.S.-Southeast Asia partnership focuses on five areas: supporting economic integration,¹³ expanding maritime cooperation,¹⁴ cultivating Southeast Asian emerging leaders,¹⁵ promoting opportunity for Southeast Asian women,¹⁶ and addressing transnational challenges.¹⁷ U.S.-ASEAN development cooperation has also focused on capacity building efforts in technology, education, disaster management, food security, human rights, and trade. Given that the United States remains best positioned to support ASEAN economic growth and development in the coming years, it is in Southeast Asia's best interests to maintain positive relations with the United States.

⁹ Ibid.

¹⁰ "Economy & Trade." *Office of the United States Trade Representative*, <https://ustr.gov/issue-areas/economy-trade>.

¹¹ "ASEAN Investment Report 2016 Foreign Direct Investment and MSME Linkages." *ASEAN Secretariat - United Nations Conference on Trade and Development*, 2016, <http://asean.org/storage/2016/09/ASEAN-Investment-Report-2016.pdf>.

¹² Rood, Steven. "The Future of ASEAN and the Role of the United States." *The Asia Foundation*, 19 Oct. 2016, <http://asiafoundation.org/2016/10/19/philippines-china-u-s-asean-2017/>.

¹³ "Supporting Economic Integration." *U.S. Mission to ASEAN*, 2017, <https://asean.usmission.gov/education-culture/econ/>.

¹⁴ "Expanding Maritime Cooperation." *U.S. Mission to ASEAN*, 2017, <https://asean.usmission.gov/education-culture/maritime/>.

¹⁵ "Cultivating the Emerging Leaders of ASEAN." *U.S. Mission to ASEAN*, 2017, <https://asean.usmission.gov/education-culture/leaders/>.

¹⁶ "Promoting Opportunity for Women." *U.S. Mission to ASEAN*, 2017, <https://asean.usmission.gov/education-culture/woman/>.

¹⁷ "Addressing Transnational Challenges." *U.S. Mission to ASEAN*, 2017, <https://asean.usmission.gov/education-culture/transchallenges/>.

2. Dialogue Partner

The United States and ASEAN coordinate activities in the region on various important issues, from maritime security and terrorism to disaster management, governance, anti-trafficking, and nuclear non-proliferation. The need for sustained dialogue is especially important as over \$5.3 trillion in trade passes through the South China Sea each year.¹⁸

¹⁸ “ASEAN Investment Report 2016 -- Foreign Direct Investment and MSME Linkages.” *United Nations Conference on Trade and Development*, 2016, Jakarta, Association of Southeast Asian Nations, Sep. 2016, <http://asean.org/storage/2016/09/ASEAN-Investment-Report-2016.pdf>.

ECONOMIC ISSUES

As the world becomes increasingly interconnected, regional economic crises have the potential to become global in scope. Because Southeast Asia is a very important trading partner for the United States and hosts a large amount of foreign direct investment from America, economic volatility in Southeast Asia would have negative spillover effects in the United States. As China plays a growing economic role in the region, the challenge is for the United States to continue advancing its economic interests while maintaining a balance against the rise of China.

Recognizing the growing interdependence between the United States and Southeast Asia, we have identified issues that the United States should confront in order to build a strong economic presence and to protect their economic interests. Our recommendations focus on trade deficits, regional financial stability, differences between the Southeast Asia and American economies, China's economic rise, and the digital divide.

Trade Deficit

Trade promotion has been fundamental to U.S. foreign policy and the United States has been a strong advocate of free trade. Under the Trump administration, however, there has been a greater emphasis on fair trade and the reduction of U.S. trade deficits. The last time the United States had a trade surplus was in 1975; in 2016, the United States had the world's largest trade deficit at \$502 billion.¹⁹

Since 2006, the United States has worked to further enhance trade and investment ties with Southeast Asia under the Southeast Asia-U.S. Trade and Investment Framework Arrangement (TIFA). The United States also has free trade agreements with some ASEAN member states. In 2013, however, the U.S. goods and services deficit with Southeast Asian countries was \$40 billion.²⁰ Malaysia, Thailand, Vietnam, and Indonesia all have large trade surpluses with the United States. In response, these Southeast Asian countries have released similar statements denying any artificial currency devaluation or unfair trade practices.

Trade deficits are often viewed negatively, especially if the deficits are being financed by borrowing, which would increase U.S. debt.²¹ However, because of an increasingly interconnected and globalized world, there are many components that make up trade imbalances, making it difficult to maintain the position that trade deficits are entirely negative.²² One recurring argument made by some politicians, including President Trump, is that trade deficits hurt the U.S. economy in terms of job losses. Many economists, however, have suggested that Americans may be losing their jobs due to automation and restructuring rather than issues related

¹⁹ "U.S. International Trade in Goods and Services (FT900)." *U.S. Census Bureau*, 2016, www.census.gov/foreign-trade/Press-Release/current_press_release/index.html.

²⁰ *Ibid.*

²¹ Worstall, Tim. "Trump's Peter Navarro is Still Wrong - US Trade Deficits Can Go on Forever." *Forbes*, 10 Mar. 2017, www.forbes.com/sites/timworstall/2017/03/10/trumps-peter-navarro-is-still-wrong-us-trade-deficits-can-go-on-forever/#263750ae3cb9

²² *U.S.-ASEAN Business Council*. U.S.-ASEAN Business Council, 2017, www.usasean.org.

to trade.²³ Thus, trade deficits may not necessarily be responsible for job losses in the United States.

Additionally, an overall trade deficit does not necessarily mean that all the component parts of trade are also negative. For example, despite the U.S. trade deficit in exports of goods, the United States enjoys a surplus in exports of services, which includes sectors such as finance, insurance, entertainment, and tourism.²⁴ In 2015, the U.S. surplus in services with Southeast Asia was \$8 billion.²⁵ Because the global growth of trade in services has been surpassing that of goods, services may be the key to improving the trade deficit

Furthermore, understanding the reason for the U.S. trade deficit is difficult. Some have pointed to fundamental economic differences between the level of consumption and investment in the United States, a consumption-based economy, and Southeast Asia, an investment-based economy.²⁶ Others have pointed to overall global imbalances: About 10-20 countries have developed large, persistent, structural trade surpluses that are distorting trade flows worldwide.²⁷

President Trump has used trade deficits to promote anti-trade and anti-market measures, including imposing huge tariffs on countries with structural trade surpluses. This is especially alarming for Southeast Asia because the region is heavily dependent on trade, and many countries in the region have large trade surpluses with the United States.

One Southeast Asian country that the United States has a large trade deficit with is Vietnam. Since 2001, when the United States and Vietnam signed a bilateral trade agreement, the U.S. trade deficit with Vietnam has steadily grown, reaching nearly \$32 million in 2016.²⁸

According to the U.S. Foreign Trade Division, the top three exported goods from Vietnam to the United States in 2016 were:

1. Apparel, textiles, non-wool & cotton
2. Cell phones and other household goods
3. Furniture and household goods²⁹

²³ Cocco, Federica. "Most US Manufacturing Jobs Lost to Technology, Not Trade." *The Financial Times*, 02 Dec. 2016, www.ft.com/content/dec677c0-b7e6-11e6-ba85-95d1533d9a62?mhq5j=e1.

²⁴ Lee, Don. "Trump Likes to Talk About Steel and Manufactured Goods. America's Better Trade Hope May Lie in Exported Services." *Los Angeles Times*, 17 May 2017, <http://www.latimes.com/business/la-fi-trump-trade-services-20170517-story.html>.

²⁵ *U.S.-ASEAN Business Council*. 2017.

²⁶ Sagami, Tony. "The US Consumer-Driven Economy Has Hit a Brick Wall," *Forbes*. 13 Jun. 2016, www.forbes.com/sites/tonysagami/2016/06/13/the-us-consumer-driven-economy-has-hit-a-brick-wall/#4cde73da1b57.

²⁷ Scott, Robert E. "Trump Administration Trade Policy Review Misses the Big Picture." *Economic Policy Institute*, 04 Apr. 2017, www.epi.org/blog/trump-administration-trade-policy-review-misses-the-big-picture/.

²⁸ "Foreign Trade - U.S. Trade with Vietnam." *U.S. Census Bureau*, 2017, www.census.gov/foreign-trade/balance/c5520.html.

²⁹ "U.S. Imports from Vietnam by 5-digit End-Use Code 2007-2016." *U.S. Census Bureau*, 2017, www.census.gov/foreign-trade/statistics/product/enduse/imports/c5520.html.

Analyzing the top three goods that the United States imports from Vietnam suggests that due to specialization the United States imports goods that it no longer has a competitive advantage in producing. In such cases, it becomes difficult to judge if trade deficits are indeed bad for the United States. Additionally, as part of a global supply chain, the United States may not be able to halt imports on all goods that they currently import from Vietnam, as some of these goods are needed to produce other goods. Additionally, the United States exports cotton to Vietnam, which is used to make apparel that is then imported back into the United States. If the United States were to stop or reduce apparel imports from Vietnam, U.S. cotton exports would suffer because Vietnam's apparel industry would have a reduced need for raw materials.

Regional Financial Stability

Looking at the vulnerabilities presented by various economic indicators, compounded by the issue of a poor financial regulatory structure, Southeast Asia's financial predicament could present serious economic exposure in the short term. The dangerous accumulation of debt, followed by volatile capital flow, could threaten the future of financial security as well as challenge Southeast Asia's ability to shift its focus toward development goals.

As depicted in Figure 1 (following page), data related to portfolio equity flow throughout the previous decade highlights both the erratic shifts in capital mobility and the current downward trend epitomized by capital outflow from Thailand. If each economy sustains its current trend of larger peaks and troughs, it is likely that outflows will increase in the immediate term. If capital flows undergo different waves of surges and flight, possibly motivated by global risk factors or regional contagion, the drastic shift of capital away from Southeast Asia could foretell a period of monetary retrenchment, indicative of exposed asset prices and slower economic growth.³⁰ Nevertheless, given the United States' large financial position in these emerging market economies, policymakers should seek to defend the integrity of its assets by encouraging stable means of investment such as FDI.

³⁰ Forbes, Kristin and Francis Warnock. "Capital Flow Waves: Surges, Stops, Flight, and Retrenchment." *Journal of International Economics*, vol. 88, no. 2, Nov. 2012, pp. 235-51, <http://www.sciencedirect.com/science/article/pii/S0022199612000566>.

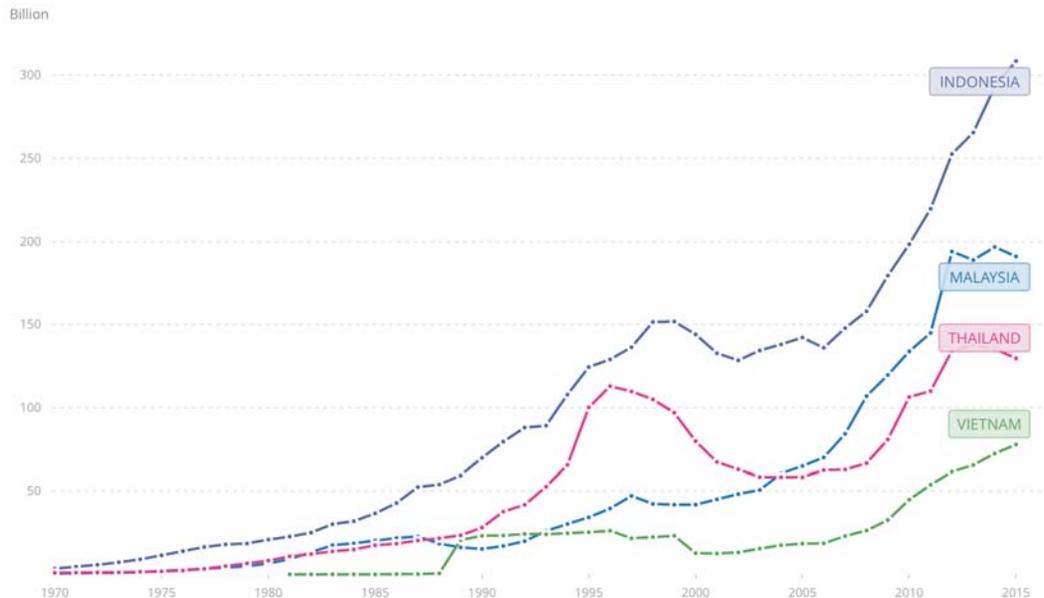
FIGURE 1



Portfolio Equity, Net Inflows (BoP, current US\$) Source: World Bank

Another important indicator is external debt stock, which refers to a country's external indebtedness in a short and long-term time frame. As evidenced in Figure 2, external debt has grown exponentially in several Southeast Asian countries. The increasing inclination to take on debt raises concern over not only the composition of the debt but also the ability to successfully repay the principal in the allocated time frame. This reflects both concerns regarding the sustainability of future growth and the ability for Southeast Asian economies to maintain investor faith. Given that little of the debt is held by U.S. firms, a massive sell-off of institutional holdings is not necessary; however, foreign policymakers can either politically leverage held-debt to negotiate better terms or earn future goodwill with a pre-emptive debt forgiveness package before a crisis occurs.

FIGURE 2



External Debt Stock (DOD, current US\$) Source: World Bank

The United States as a Consumption-Based Economy vs. Southeast Asia as an Investment-Based Economy

Another issue that the United States faces is that it is a consumption-based economy, which typically leads to burgeoning trade deficits, whereas ASEAN member states are investment-driven economies. However, as the Southeast Asian economies develop and more people consume goods and services, these economies will become more consumption-driven. What initially was made in Southeast Asia increasingly will be sold and consumed in the region. Additionally, recent trends have shown that there is a rising middle income group in Southeast Asia that will consume more goods and services.³¹ This would be beneficial for the United States: As Southeast Asian countries become more consumption based, U.S. exports to the region will increase, which, in turn, would lower the U.S. trade deficit with the region. However, as Southeast Asia moves from an economic growth/investment-led model toward an economic development/consumption-led model, there also needs to be more investment made in ASEAN member states. These investments will give people the skills to adjust to the changing nature of the economy, and allow the United States to help develop other industries in the region, like healthcare and e-commerce.

China's Growing Economic Dominance

Since 2014, China's equity outflows have increased by more than \$37 billion—including foreign direct investment and portfolio equity—indicating China's growing economic influence.³² China's commitment to Southeast Asia is evidenced by their effort to reshape trade routes with the One Belt, One Road initiative. China's presence can further be seen through its leadership in the development of the Asian Infrastructure Investment Bank (AIIB). With the U.S. withdrawal from the Trans-Pacific Partnership (TPP), China has the opportunity to leverage these commitments to gain greater influence in the region.

China is also more consistent in recognizing all of the ASEAN nations together within the ASEAN Economic Community (AEC), which was established in 2015 to integrate the economies within ASEAN in an effort to create a more competitive and beneficial trade partner. The AEC was developed after ASEAN leaders created the ASEAN Free Trade Area (AFTA) with the objective of achieving financial integration. China engages all ASEAN countries through the AIIB and the Regional Comprehensive Economic Partnership (RCEP), which integrates previous FTAs to minimize the development gap between ASEAN countries. By recognizing the financial strength of the ASEAN Economic Community and not isolating countries through bilateral agreements, China is able to build deeper relationships in the region. In comparison to China's involvement in financial institutions involving all of ASEAN, the United States has only engaged with certain ASEAN economies through the TPP and APEC. The TPP only involved four ASEAN countries despite the fact that the remaining five countries were interested in joining and benefiting from the agreement. The development gap between ASEAN economies has been one of the challenges for the organization and the AEC addresses

³¹ "The Rise of Asia's Middle Class." *Key Indicators for Asia and the Pacific 2010*, vol. 41, Asian Development Bank, 2010, www.adb.org/sites/default/files/publication/27726/key-indicators-2010.pdf.

³² "Portfolio equity, net inflows (BoP, current US\$)." *World Bank*, 2017, <http://data.worldbank.org/indicator/BX.PEF.TOTL.CD.WD>.

this issue. By engaging with the AEC through RCEP and AIIB, China recognizes the importance of the region and strengthens its influence vis-à-vis the United States.

Lack of Digital Infrastructure

Unlike the gaps in physical infrastructure that primarily affect the developing nations of Southeast Asia, the lack of digital infrastructure is problematic for all Southeast Asian countries as well as the United States. In 2014, there was a massive hack of Sony Pictures by North Korea's Unit 180. This aggressive act was in retaliation for the American movie "The Interview." It resulted in the deletion of all data on the company's personal computers, and the leak of unfinished movie scripts, private emails, and 47,000 Social Security numbers.³³ A devastating hack of this nature is a prime example of why cyber communication and internet security is ranked as the number one threat to corporate America.³⁴ As the United States continues to invest in the Southeast Asian region, its digital infrastructure will become more vulnerable because the intellectual and financial information of U.S. companies will be at the mercy of the digital security of foreign nations. Considering the United States is the largest investor of foreign direct investment in Southeast Asia, totaling \$274 billion, the United States and Southeast Asian countries are inevitably linked by the transnational threat of cybersecurity.³⁵

However, each nation in Southeast Asia has a different level of development and digital connectivity, making it difficult to create legislation to combat cyber threats because legislation must be tailored to each nation's level of development. Despite this obstacle, it is essential that each nation create preventative measures. Because the digital infrastructure is a network, if one country with a weak digital infrastructure is hacked, it will be easier for hackers to infiltrate U.S. companies that have interests in the hacked country. Currently, it is estimated that China already steals about \$360 billion annually from U.S. companies by hacking.³⁶ If this trend continues, it is predicted that there will be a global loss of \$6 trillion by 2021.³⁷ In order to address the digital infrastructure gap in Southeast Asia, the United States is already pursuing domestic plans to provide aid to develop citizens and businesses' digital infrastructure through the Cybersecurity National Action Plan.³⁸

³³ Elkind, Peter. "Sony Pictures: Inside the Hack of the Century." *Fortune*, 25 Jun. 2015, <http://fortune.com/sony-hack-part-1/>.

³⁴ "2016 Top Security Threats and Management Issues Facing Corporate America survey." *ASIS International*, 23 Feb. 2017, www.asisonline.org/About-ASIS/Who-We-Are/Whats-New/Pages/Top-Security-Threats-and-Management-Issues-Facing-Corporate-America.aspx.

³⁵ "ASEAN Matters for America, America Matters for ASEAN." *ASEAN Matters for America*, East-West Center, 2017, <http://aseanmattersforamerica.org>.

³⁶ Tenney, Claudia, "It's Time to Stop Chinese Theft." *CNN*, 12 Dec. 2016, <http://edition.cnn.com/2016/12/11/opinions/trump-crackdown-china-tenney>.

³⁷ Morgan, Steve. "Cybercrime Damages Expected to Cost the World \$6 Trillion by 2021." *CSO Online*, 22 Aug. 2016, www.csoonline.com/article/3110467/security/cybercrime-damages-expected-to-cost-the-world-6-trillion-by-2021.html.

³⁸ "FACT SHEET: Cybersecurity National Action Plan." The White House -- Office of the Press Secretary, The Obama White House, 9 Feb. 2016, <https://obamawhitehouse.archives.gov/the-press-office/2016/02/09/fact-sheet-cybersecurity-national-action-plan>.

GEOPOLITICAL TENSIONS

South China Sea

The South China Sea covers an area of about 2.2 million square miles. Due to its geography, it is a vital shipping lane for goods worth about 30% of annual global maritime trade.³⁹ Moreover, it is rich with marine life and currently accounts for approximately 10% of the global trade in fisheries.⁴⁰ Furthermore, the U.S. Energy Information Administration estimates that the area contains 11 billion barrels of oil and 190 trillion cubic feet of natural gas under the seabed.⁴¹

By 2050, the world population is estimated to increase to 9.7 billion people.⁴² Food supplies and fish stocks need to be able to meet this rising demand. Worldwide exports of fish amounted for \$148 billion in 2014, up from \$8 billion in 1976.⁴³ Southeast Asian countries account for 18.3% of global fish production, and fish exports in the region have doubled over the past 15 years.⁴⁴ In 2013, fish accounted for 17% of the global population intake of animal protein.⁴⁵ With the South China Sea containing 12% of the global annual catch, instability in the region can adversely affect global food security.⁴⁶ Additionally, the fishery industry employs up to 12 million people in Southeast Asia and contributes \$12 billion to Southeast Asian economies.⁴⁷

Regional Instability in the South China Sea

In the past, freedom of the seas was the prevailing doctrine in international waters, but that proved unsustainable when the effects of overexploitation of resources and overfishing began to be acutely felt by surrounding nations. As a result, countries began to claim parts of the ocean for themselves, which led to the formation of the United Nations Conference on the Law of the Sea in 1967 to codify international law on territorial waters to prevent conflict. In 1982, the third conference created the United Nations Convention on the Law of the Sea (UNCLOS). Under UNCLOS, states can claim an exclusive economic zone (EEZ) in the waters within 200 nautical miles off their coastlines. Areas outside of EEZs are considered international waters that are free for navigation by anyone. The convention also states that countries cannot claim sovereignty over submerged land masses or those that have been artificially raised above the surface.

³⁹ Fisher, Max. "The South China Sea: Explaining the Dispute," *The New York Times*, 14 Jul. 2016.

⁴⁰ "Global per Capita Fish Consumption Rises Above 20 Kilograms a Year." *Food and Agriculture Organization*, The United Nations, 7 Jul. 2016, www.fao.org/news/story/en/item/421871/icode/.

⁴¹ "The South China Sea dispute explained," *TRT World*, 28 Mar. 2017, www.trtworld.com/asia/the-south-china-sea-dispute-explained-325110.

⁴² *World Population Prospects: The 2015 Revision*. The United Nations Department of Economic and Social Affairs, 2015, New York, https://esa.un.org/unpd/wpp/Publications/Files/WPP2015_Methodology.pdf.

⁴³ "Global per Capita Fish Consumption Rises Above 20 Kilograms a Year."

⁴⁴ Chan, CY and N. Tran, CD Dao, TB Sulser, MJ Phillips, M. Batka, K. Wiebe & N. Preston 2017.

"Fish to 2050 in the ASEAN Region." WorldFish and International Food Policy Research Institute (IFPRI), Working Paper, 2017, Penang, Malaysia and Washington, D.C., http://pubs.iclarm.net/resource_centre/2017-01.pdf.

⁴⁵ "The State of World Fisheries and Aquaculture." *Food and Agriculture Organization*, The United Nations, 2016, <http://www.fao.org/3/a-i5692e.pdf>.

⁴⁶ Greer, Adam. "The South China Sea is Really a Fishery Dispute." *The Diplomat*, 20 Jul. 2016, <http://thediplomat.com/2016/07/the-south-china-sea-is-really-a-fishery-dispute/>.

⁴⁷ "Promoting Sustainable Fisheries for Food Security and Poverty Alleviation." *ASEAN Foundation*, 20 Jun. 2015, <http://www.aseanfoundation.org/documents/brochure/Rev-Fisheries.pdf>.

Additionally, the convention outlines a comprehensive set of regulations with stipulations to protect marine resources. To date, over 130 countries (including China but excluding the United States) have ratified UNCLOS.⁴⁸

Conflicts in Disputed Territories

Among the many land formations in the South China Sea, four island groups—Paracels, Pratas, Spratlys, and Scarborough Shoal and its surroundings—are disputed territories.⁴⁹ There are six states making claims to these islands: China, Vietnam, the Philippines, Taiwan, Malaysia, and Brunei. Disputes over the South China Sea date back to at least 1947, when the Republic of China published a “nine-dash line” map indicating its “historic rights” on most of the South China Sea, claiming that these territories are part of China’s “traditional fishing grounds.” Tensions emerged in the 1970s as more countries recognized the potential value of natural resources in the South China Sea. In 1974, armed clashes between the Chinese and Vietnamese militaries resulted in China claiming the Paracel Islands, an island chain previously claimed by Vietnam as part of its EEZ.⁵⁰ Since then, there have been multiple incidents in the Sea, such as the 2012 standoff between Philippine and Chinese ships at Scarborough Shoal and the 2014 construction of a Chinese oil rig near the Paracel Islands that triggered anti-Chinese riots in Vietnam.

China

China claims “indisputable sovereignty” over the islands with its “nine-dash line” and has iterated this point in many statements, including a 2017 white paper on Asia-Pacific security cooperation.⁵¹ They have also built artificial islands and oil rigs around the Spratly Islands to exert their military presence in South China Sea, leading to rising tensions in the region. In 2012, the Philippines found eight Chinese fishing boats on Scarborough Shoal, which is traditionally under the Philippines’ EEZ. This resulted in a series of clashes between China and the Philippines, which eventually led to the Permanent Court of Arbitration (PCA) in The Hague invalidating China’s “nine-dash line” claim.⁵² China boycotted the PCA proceedings and rejected the ruling on the grounds that it lacked jurisdiction. There have been no mechanisms to enforce the tribunal ruling and China has taken to stationing its coastguard at the Shoal, preventing the entry of Philippine boats. China also threatened war with the Philippines if the latter insists on enforcing the PCA ruling. Filipino boats were only allowed entry last October after a series of diplomatic engagements between the two countries, although the ratio of Chinese fishing boats to Philippine fishing boats is 10:1.⁵³

⁴⁸ “1982 United Nations Convention on the Law of the Sea,” United Nations, 10 Dec. 1982, Montego Bay, Jamaica, Art. 308, 16 Nov. 1994, http://www.un.org/depts/los/convention_agreements/texts/unclos/unclos_e.pdf.

⁴⁹ Gao, Zhiguo and Bing Bing Jia. “The Nine-Dash Line in the South China Sea: History, Status, and Implications.” *The American Journal of International Law*, vol. 107, no. 1, Jan. 2013, pp. 98–124.

⁵⁰ Gao and Jia. 105–108.

⁵¹ “China’s Policies on Asia-Pacific Security Cooperation.” *The State Council Information Office*, The People’s Republic of China, Jan. 2017, http://english.gov.cn/archive/white_paper/2017/01/11/content_281475539078636.htm.

⁵² “Press Release: The South China Sea Arbitration (The Republic of the Philippines v. The People’s Republic of China).” *Permanent Court of Arbitration*, 12 Jul. 2016, <https://pca-cpa.org/wp-content/uploads/sites/175/2016/07/PH-CN-20160712-Press-Release-No-11-English.pdf>.

⁵³ Corr, Anders. “Take Defense Treaty Action for Philippine Sovereignty in South China Sea.” *Forbes*. 14 Apr. 2017, <https://www.forbes.com/sites/anderscorr/2017/04/14/take-defense-treaty-action-for-philippine-sovereignty-in-south-china-sea/#3301bb6a6ed3>.

China has also stated its preference for bilateral negotiations with claimant states as a means of resolving disputes. Moreover, it believes that any “effort to internationalize and judicialize” the South China Sea issue is not helpful, and will “endanger regional peace and stability.”⁵⁴ On the diplomatic front, China has ratified UNCLOS⁵⁵ and agreed that open seas lanes are important for peace and stability; however, it has also contended that FON should not be used as a façade to undermine Chinese sovereignty and security.⁵⁶

Philippines, Vietnam, Malaysia, Brunei, Taiwan

Among the other claimant states of the disputed lands, the most confrontational are Vietnam and the Philippines. Tensions between Vietnam and China reached a high-point in 2014, but since then relations have gradually improved, with both sides agreeing in May 2017 to “manage and properly control maritime disputes” and to avoid complicating or expanding the dispute. Similarly, since June 2016, the Philippines has downplayed the disputes and sought closer ties with China. The volatile nature of Philippine President Rodrigo Duterte, however, has created an unstable relationship between the Philippines and China.

While Taiwan claims it “will not renounce its sovereignty or legal rights,” it stated in 2016 that it wants a peaceful, multilateral means of resolving the disputes grounded in international law and UNCLOS. Although Malaysia and Brunei are relatively silent over the disputes, they stand by their claims. In March 2017, Malaysia denied overlapping claims with China, but warned that Chinese actions might raise tensions and alter geopolitical dynamics. On FON, the Philippines, Vietnam, Malaysia, and Brunei have ratified UNCLOS. Taiwan has also affirmed its commitment to FON.

Food Security

As a result of overfishing, 53% of the world’s fisheries are fully exploited and 32% are depleted.⁵⁷ Poor fishing practices have also created a host of environmental issues, exacerbating diminishing fish stocks. The South China Sea is an essential source of income for many in the region, but poor practices are threatening its sustainability. China’s interference and fishing activities in the Sea; illegal, unreported, and unregulated (IUU) fishing practices by coastal countries; and poor fishing methods have led to economic loss and environmental degradation in the ocean. The catch per unit effort rates of fish caught in the South China Sea have dwindled drastically.⁵⁸

⁵⁴ “China’s Policies on Asia-Pacific Security Cooperation.”

⁵⁵ “Chronological lists of ratifications of, accessions and successions to the Convention and the related Agreements.” *Division for Ocean Affairs and the Law of the Sea (DOALOS), Office of Legal Affairs, United Nations*, 23 May 2017, http://www.un.org/depts/los/reference_files/chronological_lists_of_ratifications.htm.

⁵⁶ “Understanding China’s Position on the South China Sea Disputes,” *Institute for Security & Development Policy (ISDP)*, Jun. 2016, <http://isdpeu.org/content/uploads/2016/06/2016-Understanding-Chinas-Position-on-South-China-Sea-Disputes.pdf>.

⁵⁷ “Unsustainable Fishing.” *World Wildlife Fund*, 2017, http://wwf.panda.org/about_our_earth/blue_planet/problems/problems_fishing/.

⁵⁸ Cheung, William and Tony Pitcher. “Evaluating the Status of Exploited Taxa in the Northern South China Sea Using Intrinsic Vulnerability and Spatially Explicit Catch-Per-Unit-Effort Data.” *Fisheries Report*, vol. 92, no. 1, Jul. 2008, www.sciencedirect.com/science/article/pii/S016578360700358X.

Fishing makes up 3% of China's GDP and generates up to \$279 billion annually.⁵⁹ China's domestic waters are severely overfished and Chinese fishermen are finding it increasingly difficult to catch fish in the area surrounding China, forcing them to venture into disputed waters. The industry currently employs up to 9 million workers who have little hope of alternative employment.⁶⁰ While there are other smaller Southeast Asian countries operating in disputed territories and venturing beyond their EEZs, the magnitude and systematic approach of Chinese fishing boats (revealed to be in close cooperation with the Chinese Navy) are a large concern. In March 2016, hundreds of Chinese fishing boats were found in Malaysia's EEZs, and many Chinese boats were protected by coastguard ships with superior navigational abilities, making them no match for Malaysia's maritime police.⁶¹ Such illegal fishing activities carry a huge economic impact—Indonesia estimates that illegal fishing costs them up to \$5 billion in losses every year.⁶²

Environmental Impacts

With Southeast Asia accounting for 18.3% of the world's fish production, disagreements between coastal states, overfishing, and environmental degradation in the South China Sea all could potentially impact global food security and supply.⁶³ A sign of the dwindling fish supply is the smaller size of caught fish. This indicates that they are being caught too young, with little chance of reproduction. Their small size also means that there needs to be larger catches, thereby exacerbating the problem.⁶⁴ Cyanide fishing, a popular fishing method that has been outlawed by certain authorities, is also still widely practiced because of its lucrative returns. Squirting cyanide poison at fish stuns them and makes for easy live-catches, but it also destroys coral reefs.⁶⁵

Bottom trawling is one of the most widespread fishing methods, but also one of the most destructive. Able to descend up to 2,000 m, bottom trawlers sweep everything in their path, resulting in unintended catches, including “trash fish,” an edible fish that the Chinese and others

⁵⁹ Sedacca, Matthew. “China Fished Itself Out of its Own Waters, so its Fishermen are Now Sticking Their Rods in Other Nations' Seas.” *Quartz*, 04 Apr. 2017, <https://qz.com/948980/china-has-fished-itself-out-of-its-own-waters-so-chinese-fishermen-are-now-sticking-their-rods-in-other-nations-seas/>.

⁶⁰ Zhang, Hongzhou. “China's Fishing Industry: Current Status, Government Policies, and Future Prospects.” *Maritime Power Conference*, 28-29 Jul. 2015, Arlington, VA., *The CNA Corporation*, 2015, https://www.cna.org/cna_files/pdf/China-Fishing-Industry.pdf.

⁶¹ Mollman, Steve, “In A Threat to China, Malaysia Vows to Sink Illegal Fishing Boats in the South China Sea.” *Quartz*, 02 Aug. 2016, <https://qz.com/748070/malaysia-will-sink-foreign-boats-that-fish-illegally-and-use-them-as-artificial-reefs/>.

⁶² Pontianak, Heriyanto. “Illegal Fishing Costs Indonesia 3 Billion Dollars a Year.” *ASEAN News*, 2017, <http://www.aseannews.net/illegal-fishing-costs-indonesia-3-billion-dollars-a-year/>.

⁶³ “Food Security in Southeast Asia: Why Fish Are Key.” *Center for Strategic and International Studies*, 2013, <https://www.csis.org/events/food-security-southeast-asia-why-fish-are-key>.

⁶⁴ Jialin, Liang and Jiang Han. “Overfishing Pushes 80% Of Chinese Fishermen Towards Bankruptcy.” *China Dialogue*, 19 Oct. 2012, <https://www.chinadialogue.net/article/show/single/en/5221-Overfishing-pushes-8-of-Chinese-fishermen-towards-bankruptcy>.

⁶⁵ “Fishing Problems: Destructive Fishing Practices.” *World Wildlife Fund*, 2017, http://wwf.panda.org/about_our_earth/blue_planet/problems/problems_fishing/destructive_fishing/.

prefer not to eat.⁶⁶ In the South China Sea, only Indonesia has imposed a limited ban on trawling—all the other countries have been notably silent on this front.⁶⁷

Responses

To counter this problem, countries in the region have adopted different policies to curb IUU fishing practices from China and other Southeast Asian countries.

In the last two months alone, Vietnamese boats were fined \$4.5 million by the Solomon Islands, two boats were seized for fishing in Malaysian waters,⁶⁸ and five boats were captured by Indonesia for IUU fishing.⁶⁹ The issue of IUU fishing by Vietnamese boats has already garnered the attention of their prime minister, who called for a clamp down on IUU fishing and for more regional cooperation to ensure that illegal fishing is prevented.⁷⁰

The Philippines ranks as the 11th largest producer of fish in the world, and their catches feed about 3 billion people worldwide.⁷¹ However, 10 of the Philippines' 13 major fishing grounds have already been overfished and fish stocks are dangerously low. To ensure food security and environmental sustainability, they are strengthening their resolve to stop illegal fishing both at home and abroad. The Philippines has taken to punishing local governments who fail to curb illegal fishing in their communities, and, conversely, awarding cash grants to outstanding coastal communities.⁷² The Philippines has also collaborated with the U.S. government to have gunboats monitoring the region to prevent IUU fishing from other countries in the South China Sea. However, their small fleet and lack of logistical support have made it difficult to ensure that IUU fishing is regulated effectively.

Indonesia is Southeast Asia's largest fish producer, but IUU fishing has resulted in the economic and environmental degradation of its oceans. As a result, Indonesia has taken to detaining and destroying ships that have been found poaching in its EEZ. As of 2014, they had destroyed 317 fishing boats, of which 142 were from Vietnam, 76 were from the Philippines, 49 were from Malaysia, and one was from China.⁷³ This method has proven to be effective, as overfishing in

⁶⁶ Sedacca, Matthew.

⁶⁷ Stiles, Margot L. and Julie Stockbridge, Michelle Lande, & Michael F. Hirshfield. "Impacts of Bottom Trawling on Fisheries, Tourism, and the Marine Environment." *Oceana*, May 2010, http://oceana.org/sites/default/files/reports/Trawling_BZ_10may10_toAudrey.pdf.

⁶⁸ "Malaysia Seizes Two Fishing Boats, Arrests 19 Vietnamese for Illegal Fishing." *Vn Express International*, 14 Apr. 2017, <http://e.vnexpress.net/news/news/malaysia-seizes-two-fishing-boats-arrests-19-vietnamese-for-illegal-fishing-3570572.html>.

⁶⁹ "Indonesian, Vietnamese Vessels Get into Skirmish in Natuna Waters Over Illegal Fishing." *The Straits Times*, 22 May 2017, <http://www.straitstimes.com/asia/se-asia/indonesian-vietnamese-vessels-get-into-skirmish-in-natuna-waters-over-illegal-fishing>.

⁷⁰ "PM Cracks Down on Illegal Fishing." *Vietnam News*, 29 May 2017, <http://vietnamnews.vn/society/377317/pm-cracks-down-on-illegal-fishing.html#mpxjZ7dRUJVKDlaB.97>.

⁷¹ Simeon, Louise. "Stronger Law Enforcement Sought to Stop Illegal Fishing." *The Philippine Star*, 11 Jan. 2017, <http://www.philstar.com/business/2017/01/11/1661458/stronger-law-enforcement-sought-stop-illegal-fishing>.

⁷² "Philippines to Crack Down on Illegal Fishing." *Update Philippines*, 18 Jan. 2017, <https://www.update.ph/2017/01/philippines-to-crack-down-on-illegal-fishing/13331>.

⁷³ Chan, Francis. "Indonesia Blows Up and Sinks Another 81 Fishing Boats for Poaching." *The Straits Times*, 02 Apr. 2017, <http://www.straitstimes.com/asia/se-asia/indonesia-blows-up-and-sinks-another-81-fishing-boats-for-poaching>.

the area has gradually declined and signs of a normalized fishing industry have returned.⁷⁴ A testament to its effectiveness is Malaysia's move to follow in Indonesia's footsteps by destroying boats that encroach into its waters.⁷⁵

Finally, the problem of food security in the region is inherently intertwined with territorial disputes over the South China Sea. ASEAN nations came to an agreement with China in 2002 on a Declaration on the Conduct of Parties in the South China Sea. Since then, they have been working to create a Code of Conduct, producing a draft framework on May 18, 2017. It is unclear, however, whether the final document will be legally binding.

Current U.S. Militarization

While the United States did not ratify UNCLOS, it has backed up its commitment to the principle of FON and the rule of international law by sending its navy to patrol the South China Sea, and by supporting international mediation efforts. In 2016, the United States increased the frequency of patrols in the disputed zones in the name of FON without challenging Chinese sovereignty.

The U.S. military presence in the South China Sea has been growing for the last few years. FONOPs have been conducted a total of four times, starting under the Obama administration with operations in October 2015, January 2016, and May 2016. In May 2017, a fourth FONOP was conducted for the first time under President Trump.⁷⁶ There were other major developments this year, including the February 2017 deployment of the USS Carl Vinson, an aircraft carrier that is now moving through the South China Sea. Around the same time, the United States sent a dozen F-22 Raptor stealth fighter aircrafts to Tindal Air Base, the Australian military airbase closest to China. Three attack submarines—the USS Alexandria, USS Chicago, and USS Louisville—have also been deployed in the Western Pacific, and at least one has entered the South China Sea. Finally, the United States recently tested four Trident II submarine-launched ballistic missiles during a nuclear war exercise in the Pacific—the first time in three years that the United States has conducted such tests, and the first four-missile model used since the end of the Cold War.⁷⁷

Nuclear Proliferation

North Korea

With its current push to develop nuclear Intercontinental Ballistic Missiles (ICBMs) capable of targeting multiple U.S. allies in the region, North Korea is advancing the case for Japan and South Korea to develop nuclear capabilities of their own. President Trump stated during his campaign that the two long-standing allies would need to protect themselves should they not increase their payments for U.S. military installations in both countries. With statements like

⁷⁴ Toh, Michelle. "Indonesia's Explosive Response to Illegal Fishing Could Be Just What It Needs." *Fortune*, 09 Sep. 2016, <http://fortune.com/2016/09/19/indonesia-illegal-fishing-explosion/>.

⁷⁵ Mollman, Steve.

⁷⁶ Lubold, Gordon. "U.S. Navy Conducts First SCS Navigation Operation Under President Trump." *The Wall Street Journal*. 24 May 2017.

⁷⁷ Windrem, Robert and William Arkin. "U.S. Flexes Its Military Muscle Off China." *NBC News*. 24Feb. 2017, <http://www.nbcnews.com/news/us-news/us-flexes-its-military-muscle-china-n724911>.

these discouraging Asian reliance on U.S. protection, both Japan and Korea have begun looking inward to deal with threats from North Korea and China.⁷⁸ If both nations were to nuclearize their militaries, it could disrupt the power balance in the region, potentially leaving ASEAN to deal with the fallout.

Today, China is the only fully nuclear-armed nation in Asia and the only Asian military capable of dominating the region. However, a nuclear Japan allied with a nuclear South Korea could challenge the military hegemony of China in the region. While this balancing role is currently filled by the U.S. military, which can leave the region to ease tensions, the Japanese and South Korean militaries cannot. Given the lingering historical tensions between China and Japan, coupled with growing mistrust of Beijing by South Korea,⁷⁹ an iteration of the U.S.-USSR Cold War could emerge, but with a much more volatile actor in North Korea. While the nuclear dichotomy between Washington and Moscow served as a deterrent, both sides came incredibly close to destroying the world on multiple occasions—during intentional provocations as well as a result of computer and user errors in detection systems. This same set of Cold War tensions, with the added unpredictability and desperation of the Kim regime, would not “freeze the status quo,” but would rather create a likely scenario for the start of World War III. The Kim regime is desperate now to develop its nuclear arsenal because it views these weapons as essential to its survival.⁸⁰ Their willingness to test missiles and threaten their use would only escalate should the two nations the North Koreans arguably fear more than the United States—Japan and South Korea—develop nuclear weapons themselves. It only takes one lapse in judgement or one user error to start a war, and given the proximity and historical conflicts between China, the Koreans, and Japan, this likelihood is significantly higher than during the Cold War.

Militarization of Asia

In response to a potentially nuclearized and militarized Japan competing with China for power in the region, Southeast Asia will face questions about how to protect itself without the intervention of the U.S. military. Southeast Asian countries could take several different approaches: They could either look inward and arm themselves, or they could look outward and seek military protection through an alliance with either China or Japan. Both of these options stand to create serious divisions within ASEAN and could threaten to break up the organization. As each member chooses which country they would prefer patrolling the waters of Southeast Asia, that power’s sphere of influence would grow in the region and escalate the rivalry further. The second scenario of Southeast Asian nations building up their own militaries would create an arms race in the region. Even in a cooperative organization such as ASEAN, members advocate for their individual preferences, weakening the amount of regulation and cooperation that can exist within the organization. This fact, coupled with statistics suggesting that Indonesians see

⁷⁸ Hu, Elise. “Japan and South Korea Rattled By Trump's Talk Of Closing U.S. Bases.” *NPR*, 10 Nov. 2016, <http://www.npr.org/sections/parallels/2016/11/10/501531166/japan-and-south-korea-rattled-by-trumps-talk-of-closing-u-s-bases>.

⁷⁹ Lee, Benjamin. “THAAD and the Sino-South Korean Strategic Dilemma.” *The Diplomat*, 8 Oct. 2016, <http://thediplomat.com/2016/10/thaad-and-the-sino-south-korean-strategic-dilemma/>.

⁸⁰ “North Korea's Nuclear Programme: How Advanced is It?” *BBC News*, 06 Jan. 2017, <http://www.bbc.com/news/world-asia-pacific-11813699>.

Australia as their largest threat,⁸¹ means an escalation in military spending and weapons development would only enhance the possibility of conflict.

Transnational Terrorism

Southeast Asia has suffered a fresh wave of socio-revolutionary militancy in the past two decades, with violence largely perpetrated by insurgencies, separatist movements, and religious zealots. While Southeast Asian governments have been fairly successful in curtailing extremist movements through draconian means in the past, the relaxation of control by way of democratization, alongside the lure of sectarianism, has created breeding grounds for radical movements. Most of Southeast Asia also remains stuck in a developmental phase, adding to the region's vulnerability. Notably, the genesis of the Islamic State (ISIS) has heightened risks in Southeast Asia, inspiring a spate of attacks across the region. The most immediate acts of terror in the region—which have been increasing both in frequency and intensity—have been ostensibly motivated by Islamist extremism.

The Rise of Religious Extremism

Southeast Asia is one of the primary demographic centers of the Islamic world: The region is home to about 253 million Muslims, accounting for over 16% of the world's estimated Muslim population.⁸² This makes Southeast Asia especially susceptible to the threat of Islamist militants. Counter-terrorism analysts have predicted that the Islamic State may soon turn to the region to pursue its caliphate ambitions as it struggles to maintain ground in the Middle East. Terrorist groups pledging allegiance to al-Qaeda and ISIS have since established indigenous networks within the region, and spearheaded devastating “soft target” attacks, including the 2002 Bali bombings, which took the lives of an estimated 200 civilians.⁸³ Security analysts have further highlighted the Sulu and Celebes Seas, shared by Malaysia, Indonesia, and the Philippines, as an area susceptible to burgeoning maritime terrorist elements.⁸⁴ Concerns pertaining to the use of the Sulu Sea as a base for an ISIS regional caliphate have surfaced in recent years, manifesting as a hotbed issue during the recent Shangri-La Dialogue. While talks of trilateral joint sea patrols are underway, the international community remains mindful that none of the three nations can sufficiently monitor the area themselves.

These developments pose a grave threat to the pluralistic landscape of Southeast Asia, and threaten the U.S. presence in the region through the added dimension of anti-Western sentiments. Southeast Asian governments, namely Indonesia, Malaysia, and Singapore, have intensified counter-terrorism efforts since 2014, outlawing support for ISIS and attempting to strengthen

⁸¹ Jackman, Simon, “Survey on America's Role in The Indo-Pacific.” *Perth USAsia Center*. May 2017, <http://perthusasia.edu.au/getattachment/Our-Work/America-s-Role-in-the-Indo-Pacific/PU-20-ARIP-BOOK-WEB.pdf.aspx?lang=en-AU>.

⁸² DeSilver, Drew and David Masci. “Mapping the Global Muslim Population.” *Pew Research Center*, 31 Jan. 2017, <http://www.pewresearch.org/fact-tank/2017/01/31/worlds-muslim-population-more-widespread-than-you-might-think/>.

⁸³ Acharya, Amitav. “Terrorism and Regional Security in Asia: Redefining Regional Order.” *Asia Security Centre*, Working Paper, 113, Murdoch University, Oct. 2004, http://www.murdoch.edu.au/Research-capabilities/Asia-Research-Centre/_document/working-papers/wp113.pdf.

⁸⁴ Liow, Joseph Chinyong. “ISIS in the Pacific: Assessing Terrorism in Southeast Asia and the Threat to the Homeland.” *Brookings*, 27 Apr. 2017, www.brookings.edu/testimonies/isis-in-the-pacific-assessing-terrorism-in-southeast-asia-and-the-threat-to-the-homeland/.

border controls.⁸⁵ Authorities, however, continue to harbor concerns regarding the return of radicalized, battle-trained militants from the Middle East, and the consequent import of religious zealotry into the region. As the proliferation of terrorist activities continues to expand throughout Southeast Asia, it manifests as an irrefutable security concern for Washington, which has an interest in preserving regional stability and long-term economic dynamism.

Current U.S. Presence in Southeast Asia

In the vein of regional security, the United States has long maintained a presence in Southeast Asia. U.S. and Southeast Asian leaders have since recognized their shared interest in eradicating the brand of violent extremism that has erupted in the region, notwithstanding regional animosity toward the Bush administration's unilateral approach toward counter-terrorism in the wake of 9/11.⁸⁶

In 2002, the United States and ASEAN signed a Joint Declaration for Cooperation to Combat International Terrorism. The pact provides a framework for cooperation in the prevention, disruption, and countering of international terrorism through the exchange of information and intelligence, as well as capacity-building. The United States has further coordinated, advised, and participated in a series of transnational counter-terrorism efforts through participation in the Global Counterterrorism Forum, the ASEAN Defense Ministers' Meeting Plus Experts' Working Group on counter-terrorism, the Association of Southeast Asian Nations Regional Forum, the Financial Action Task Force, and the Global Coalition to Counter ISIL.⁸⁷ These efforts, combined with bilateral assistance to certain Southeast Asian nations, form the baseline of the U.S. approach to counterterrorism in the region.

Cybersecurity

As internet usage continues to increase, the infrastructures and data of governments are increasingly vulnerable. It is not easy to protect against vulnerabilities due to the inherent problems within cyberspace. The sole intention when creating the internet was to establish telecommunications, thus security measures were foregone when the internet was created. This means that securing content on computers and the transmission of messages were not priorities.⁸⁸ Due to this lack of foresight, there has been and always will be loopholes in the system when trying to establish a secure infrastructure. The absence of security also makes it difficult to positively identify the perpetrator and the original location of cyberattacks.⁸⁹ Based on these barriers, it is difficult to create a protocol response to cyberattacks.

⁸⁵ Gunaratna, Rohan. "Counter Terrorist Trends and Analyses." *A Journal of the International Centre for Political Violence and Terrorism Research*, vol. 7, no. 1, S. Rajaratnam School of International Studies, Jan. 2015, https://www.rsis.edu.sg/wp-content/uploads/2015/01/CTTA-Jan_Feb-2015.pdf.

⁸⁶ Chatchawānphongphan, Pawin. "ASEAN-U.S. Relations: What Are the Talking Points?" *U.S. Mission to ASEAN*, 26 May 2016, <https://asean.usmission.gov/asean-u-s-relations-what-are-the-talking-points/>.

⁸⁷ Vaughn, Bruce, and Emma Chanlett-Avery, Ben Dolven, Mark E. Manyin, Michael F. Martin, & Larry A. Niksch. "Terrorism in Southeast Asia." Congressional Research Service, 16 Oct. 2009, <https://fas.org/sgp/crs/terror/RL34194.pdf>.

⁸⁸ Timberg, Craig. "The Real Story of How the Internet became so Vulnerable." *The Washington Post*. 30 May 2015, www.washingtonpost.com/sf/business/2015/05/30/net-of-insecurity-part-1/?utm_term=.515c5bad288c.

⁸⁹ Chivvis, Christopher S. and Cynthia Dion-Schwarz. "Why It's So Hard to Stop a Cyberattack-and Even Harder to Fight Back." *RAND Corporation*, 30 Mar. 2017, <http://rand.org/blog/2017/03/why-its-so-hard-to-stop-a-cyberattack-and-even-harder.html>.

Legislative Challenges

The complexity of cybersecurity is not limited to the international level; individual nations are faced with the same issues of establishing norms for regulating cyberspace. At the beginning of 2017, Microsoft Asia identified Asia-Pacific countries as the most vulnerable, specifically naming Singapore, Indonesia, and Vietnam as among the top countries that are at risk of infection of malware.⁹⁰ On the domestic level, developing nations like Vietnam are struggling to implement cybersecurity legislation. Because they want to easily monitor their citizens, they have pre-existing laws that discourage their citizens from establishing secure networks, thereby contradicting efforts to improve cyber security. Despite reluctance to prioritize international security over the ability to monitor one's own citizens, it is critical that the Southeast Asian region take immediate action to combat cyber threats. In 2015, the cybersecurity company FireEye discovered that a hacker group, Advanced Persistent Threat (APT30), has maintained access to the critical digital infrastructure in Southeast Asia for years.⁹¹ Although this is an alarming threat to Southeast Asian countries, there is also a looming threat from the superior Chinese hacking unit 61389, and the increasing activity of the North Korean hacking unit 180.⁹²

Although Southeast Asia is not singularly threatened, the United States also shares a common concern regarding Chinese and North Korean hackers. In addition to these threats, it is essential that the United States perceive all state and non-state actors as threats because it is difficult to identify the perpetrator of an attack. For example, the recent Russian hack in the United States has led to citizens questioning the integrity of the U.S. election process, but there is not a clear consensus on the motivations of the attack or who specifically ordered the attack.⁹³ Due to this confusion, the U.S. government cannot retaliate in the traditional sense of armed conflict because the United States cannot justify retribution if they only suspect an entity to be guilty of launching an attack. It is also difficult to determine the severity of responses to cyberattacks because causalities in cyberspace cannot be defined in the same manner as casualties on a battlefield.

Current Collaboration on Cybersecurity

The first U.S. and Southeast Asian cybersecurity collaboration was in 2015 with the establishment of Confidence Building Measures (CBM). However, the CBMs regarding cybersecurity were not emphasized until after the establishment of the U.S.-Singapore bilateral cyber agreement in October 2016. The agreement between these two nations includes “regular CERT-CERT information exchanges and sharing of best practices, coordination in cyber incident response and sharing of best practices on Critical Information Infrastructure protection, and cybersecurity trends and practices.”⁹⁴ Following this agreement, Singapore pledged SG\$10

⁹⁰ “Asia Pacific Countries Among the Most Vulnerable to Malware Threats: Microsoft Report.” *Microsoft Asia News Center*. 26 Jan. 2017, <https://news.microsoft.com/apac/2017/01/26/asia-pacific-countries-among-the-most-vulnerable-to-malware-threats-microsoft-report/#sm.0001byldyzf0uf5fw6f1501dx2yfi#wtWUpQgAooXgPY62.97>.

⁹¹ Lee, Stacia. “ASEAN Cybersecurity Profile: Finding a Path to a Resilient Regime.” *The Henry M. Jackson School of International Studies*, University of Washington, 04 Apr. 2016, <https://jsis.washington.edu/news/asean-cybersecurity-profile-finding-path-resilient-regime/>.

⁹² Park, Ju-min and James Pearson. “Exclusive: North Korea's Unit 180, the Cyber Warfare Cell That Worries the West.” *Reuters*, 22 May 2017, <http://www.reuters.com/article/us-cyber-northkorea-exclusive-idUSKCN18H020>.

⁹³ Chivvis and Dion-Schwarz.

million Singapore Dollars to the ASEAN Cyber Capacity Program, which focuses on closer cybersecurity collaboration and resource sharing among Southeast Asian nations. The goal is to deepen the utilization of ASEAN CBMs and strengthen further collaboration with the United States.

HUMAN SECURITY ISSUES

Many countries in Southeast Asia share critical human security concerns, ranging from those that transcend national boundaries (e.g., drug and human trafficking and natural disasters) to domestic imperatives (e.g., human development, democratic processes, and human rights).

The United States cannot afford to withdraw as an active player in working with Southeast Asian countries to address such issues. Doing so increases the risk of regional instability, adversely affecting U.S. economic and security interests in the region, while undermining U.S. leadership and influence—considerations that are all the more critical with the rise of China.

The United States can increase its engagement in the region through greater collaboration with existing multilateral organizations and more extensive capacity building initiatives, while being acutely aware of cultural sensitivities and needs. The manner in which the United States continues to engage on human security issues will determine its long-term standing in the region.

Human Trafficking

The issue of human trafficking in Southeast Asia has garnered much attention from the international community over the past decade, raising awareness of the catastrophic social impacts of human trafficking. As a result, various international protocols have been implemented, and laws that target traffickers and protect victims have been gaining traction.

However, there has yet to be any remarkable progress on the issue. Putting an end to human trafficking will require U.S. initiative and leadership as well as constructive collaborations with Southeast Asian governments, multinational corporations, and non-governmental organizations. The United States must also focus special attention on improving the justice systems of countries where human trafficking is rife, and attenuating the pressures and difficulties facing Southeast Asia in their fight against traffickers. Concurrently, it is vital that ASEAN contributes by moving toward regional integration. It is imperative that all parties endeavor to put an end to the suffering of human trafficking victims, which would provide greater political legitimacy, humanity, and security for the Asia-Pacific region.

⁹⁴ “ASEAN Member States Call for Tighter Cybersecurity Coordination in ASEAN.” *Ministry of Communications and Information*, Singapore Government, 11 Oct. 2016, https://www.gov.sg/~sgpcmedia/media_releases/csa/press_release/P-201610111/attachment/ASEAN%20Member%20States%20Call%20for%20Tighter%20Cybersecurity%20coordination%20in%20ASEAN_11%20Oct%202016.pdf

In Southeast Asia, displaced and stateless individuals are especially at risk for human trafficking in Thailand. Thailand has come under scrutiny for its severe labor trafficking, especially in the seafood industry. The majority of trafficking victims in the fishing industry are brought in from neighboring countries like Burma and Cambodia.⁹⁵ Cambodia also has its share of problems with human trafficking, with sex trafficking posing the biggest threat. Young girls are sold by their parents for their virginity, and are then trafficked into the forced labor market in Thailand, Laos, and Burma. While the Cambodian government has shown an interest and willingness to counter the problem by drafting guidelines for a national victim identification system, enactment and enforcement have been slow.⁹⁶ In Burma, the crisis of the Rohingya minority has persisted since 2012, when an initial 140,000 Rohingya were forced from the Rakhine State following communal violence and clashes.⁹⁷ Since then, tens of thousands of Rohingya Muslims have fled the country, with many trafficked into Southern Thailand, an area notorious for its lucrative smuggling networks.⁹⁸

Drug Trafficking

Drug trafficking, manufacturing, and abuse continue to plague Southeast Asia, enabling corruption, violence, and addiction and health issues. The issue is not merely a value-based, human rights issue, but also an economic and security threat.

Burma and Laos are the largest opium producers after Afghanistan, with Burma accounting for 20% of opium cultivation worldwide.⁹⁹ Drug production seeps through their porous borders into Thailand, the Philippines, Malaysia, Vietnam, Cambodia, and China. Southeast Asian governments struggle to patrol their vast maritime and isolated land borders, allowing opium, methamphetamines, and amphetamines to be openly trafficked and cultivated in the region.¹⁰⁰

In addition, the Philippines is experiencing a huge public health pandemic. In 2015, more than 8,000 *barangays* or “villages” were affected by narcotics. Drug abuse is particularly prevalent in the capital, Manila, with 92% of its *barangays* reported to be affected by drug use, trafficking, or manufacturing in the first half of 2016.¹⁰¹ President Duterte’s controversial war on drugs has spurred tremendous violence among organized crime groups and the government itself, affecting

⁹⁵ Braddock, John. “Slavery and Trafficking in Thai Fishing Industry.” *World Socialist Web Site*, 30 Dec. 2016, www.wsws.org/en/articles/2016/12/30/thfi-d30.html.

⁹⁶ Hume, Tim and Lisa Cohen, & Mira Sorvino. “The Women Who Sold Their Daughters into Sex Slavery.” *CNN*, 2013, www.cnn.com/interactive/2013/12/world/cambodia-child-sex-trade/.

⁹⁷ Tang, Lisa. “Rohingya trafficking victims endure stress of limbo, stranded in Thailand.” *Reuters*, 09 Oct. 2015, www.reuters.com/article/us-health-mental-rohingya-idUSKCN0S300920151009.

⁹⁸ “Thai kingpin jailed for 35 years for Rohingya human-trafficking,” *South China Morning Post*, 01 Sep. 2016, www.scmp.com/news/asia/southeast-asia/article/2012184/thai-kingpin-jailed-35-years-rohingya-human-trafficking.

⁹⁹ “Mekong Officials Gather to Address the Golden Triangle Opium Economy.” *United Nations Office on Drugs and Crime*, 22 Nov. 2016, <https://www.unodc.org/southeastasiaandpacific/laopdr/index.html>.

¹⁰⁰ “Drugs and Health, and Alternative Development.” *United Nations Office on Drugs and Crime*, 2017, <http://www.unodc.org/southeastasiaandpacific/en/what-we-do/drugs-health-ad/index.html>.

¹⁰¹ *International Narcotics Control Strategy Report: Drug and Chemical Control*, vol. 1, U.S. Department of State Bureau for International Narcotics and Law Enforcement Affairs, Mar. 2010, www.state.gov/documents/organization/137411.pdf.

the safety and well-being of innocent bystanders, and harming citizens who are in need of treatment and rehabilitation.

ASEAN's Response

ASEAN has acknowledged the importance of eliminating the narcotics trade in the region. ASEAN members met in Singapore last year to update the *ASEAN Work Plan on Securing Communities Against Illicit Drugs 2016-2025*, and to implement solutions to the prevalent challenges and new threats that continue to emerge. Their goals and priorities include improving information sharing, strengthening law enforcement, increasing preventative education, and enhancing research, development, treatment and rehabilitation.

Humanitarian Assistance and Disaster Relief

As one of the most natural disaster-prone areas in world, Southeast Asia has a fundamental need to develop a strong mechanism for humanitarian assistance and disaster relief. From 2004 to 2014, more than 50% of global deaths caused by natural disasters occurred in the region, and natural disasters caused a total economic loss of \$91 million.¹⁰² In the future, climate and environmental change will only exacerbate the frequency and scale of natural disasters across the region.¹⁰³

Through programs like the ASEAN Agreement on Disaster Management and Emergency Response (AADMER), ASEAN has been actively building joint programs to improve disaster management at the regional level. Currently, ASEAN has institutionalized 60% of AADMER, with the goal of advocating for strong funding and administrative efforts to build disaster management capacity.¹⁰⁴ However, due to difference in resources, degree of preparedness, and financial status, Southeast Asian nations lack efficiency as well as the finances and capabilities to deal with natural disasters.¹⁰⁵ As Singapore's former Minister of Foreign Affairs George Yeo once noted, "No major strategic issue in Asia can be resolved without the active participation of the U.S. ... For all major challenges—be it climate change, environmental protection, pandemics, terrorism, disaster response ... we in ASEAN welcome close cooperation with the U.S."¹⁰⁶ This statement reflects Southeast Asia's strong desire to continue close cooperation with the United States on disaster management issues, as well as the need for the United States to increase its existing involvement.

One current mechanism for U.S. involvement is the ASEAN-U.S. Partnership for Good Governance, Equitable and Sustainable Development and Security (PROGRESS). The

¹⁰² "ASEAN Vision 2025 on Disaster Relief." *Association of Southeast Asian Nations*, 2015, www.asean.org/wp-content/uploads/2012/05/fa-220416_DM2025_email.pdf.

¹⁰³ "Synthesis Report on Ten ASEAN Countries Disaster Risks Assessment." *Office for Disaster Risk Reduction*, United Nations, Dec. 2010, http://www.unisdr.org/files/18872_asean.pdf.

¹⁰⁴ "Paving the Way toward ASEAN Resilience and Joint Response Accomplishment Report AADMER Work Programme (2010-2015)." *Association of South East Asian Nations*, Apr. 2016, <http://www.asean.org/wp-content/uploads/2016/02/AADMER-Accomplishment-Report-2010-2015-v1.5.pdf>.

¹⁰⁵ "Synthesis Report on Ten ASEAN Countries Disaster Risks Assessment."

¹⁰⁶ Marciel, Scot. "U.S. Engagement in Southeast Asia." *Center for Strategic International Studies Meeting on "U.S. and Southeast Asia: Toward a Strategy for Enhanced Engagement,"* 25 Sep. 2008, Washington, D.C., U.S Department of State, 2008, Remarks, <https://2001-2009.state.gov/p/eap/rls/rm/2008/09/110494.htm>.

partnership strives to effectively increase ASEAN's humanitarian assistance capabilities during a disaster, and it has invested in this issue through technology exchange, science fellowships, and standard operating procedure development.¹⁰⁷ However, with the project slated to conclude in a year and with the Trump administration's decision to decrease foreign aid, efforts to support disaster relief will likely be diminished. Pulling out of this long-established partnership would damage the reputation of the United States as a human development leader, leaving room for China to fill the gap in its place.

China's recent commitment to provide disaster relief funds through the ASEAN-China Memorandum of Understanding on Health Cooperation¹⁰⁸ demonstrates its ambitions in Southeast Asia.¹⁰⁹ The United States cannot stand idly by as China begins to shift from a supporting role to a leading role in disaster management. Rather, the United States should seize on its comparative advantage in disaster relief efforts.

U.S. Foreign Aid in Southeast Asia

The United States is embracing protectionist policies as China is increasing aid to Southeast Asian countries and offering infrastructure projects such as the One Belt, One Road initiative. If developing Southeast Asian nations are unable to consistently rely on American aid for much-needed projects, they are more likely to gravitate toward China. Many countries in Southeast Asia require aid in several areas including food security, clean water, and education. However, there is low domestic support for foreign aid in the United States, a sentiment shared by the Trump administration, which proposed cutting foreign aid spending by over one-third.¹¹⁰ On average, the American public believes 31% of the U.S. budget goes to foreign aid, when in reality only 1% of the budget is earmarked for foreign aid.¹¹¹ Possibly as a result of this misperception, 51% of Americans believe the U.S. government gives too much in foreign aid.¹¹² To overcome this challenge, foreign policy experts must not only work with U.S. government officials to increase strategic investments in anti-poverty programs in Southeast Asia but also communicate the importance of these programs and their benefits to the American public. If the United States does not want China to become a global power, it must stop China from becoming a regional power in Asia. But if the United States makes it clear that they will reduce the amount

¹⁰⁷ "ASEAN-U.S. Partnership for Good Governance, Equitable and Sustainable Development and Security." *U.S. Agency for International Development*, 06 Jul. 2015, www.usaid.gov/asia-regional/fact-sheets/asean-us-partnership-good-governance-equitable-sustainable.

¹⁰⁸ "Turning Vision into Reality for a Dynamic ASEAN Community." *The 19th ASEAN-China Summit to Commemorate The 25th Anniversary of ASEAN-China Dialogue Relations*, 07 Sep. 2016, Vientiane, Lao, Association of Southeast Asian Nations, 2016, Chairman's Statement, <http://asean.org/storage/2016/09/Final-Chairmans-Statement-of-the-ASEAN-China-25th-Anniversary-Commemo...pdf>.

¹⁰⁹ Tiezzi, Shannon. "How Disaster Relief Can Save China-ASEAN Relations." *The Diplomat*, 07 Oct. 2014, <http://thediplomat.com/2014/10/how-disaster-relief-can-save-china-asean-relations/>.

¹¹⁰ Harris, Bryant and Robbie Gramer, & Emily Tamkin. "The End of Foreign Aid As We Know It," *Foreign Policy*, 24 Apr. 2017, <http://foreignpolicy.com/2017/04/24/u-s-agency-for-international-development-foreign-aid-state-department-trump-slash-foreign-funding/>.

¹¹¹ Greenberg, Jon. "Most People Clueless on U.S. Foreign Aid Spending," *Politifact*, 09 Nov. 2016, <http://www.politifact.com/global-news/statements/2016/nov/09/john-kerry/yep-most-people-clueless-us-foreign-aid-spending/>.

¹¹² Moore, Peter. "Foreign Aid: Most People Think America Gives too Much Away," *YouGov*, 11 Mar. 2016, <https://today.yougov.com/news/2016/03/11/foreign-aid/>.

of aid to the region, Southeast Asian nations will increasingly rely on China. Consequently, China will eventually be able to write the rules of the new world order in Southeast Asia.

The United States has the ability to offer assistance to Southeast Asia in the following areas: disaster response, food and water security, education, health, and anti-corruption efforts, including combatting human and drug trafficking as well as supporting initiatives for good governance. Global health is a critical area for U.S.-ASEAN cooperation. In seven out of ten ASEAN member states, over one-fifth of children below the age of five are stunted, indicating insufficient nutrition.¹¹³ The mortality rate of children under five in Southeast Asia is 29 deaths per 1,000 live births, compared to just six deaths in the developed world.¹¹⁴

Education is another area of need. According to the World Health Organization, “Education is perhaps one of the most important underlying determinants of health at both individual and community levels.”¹¹⁵ Unfortunately, the education gap is formidable; Cambodia, Laos, and Burma have secondary school enrollment rates below 60%.¹¹⁶

Finally, corruption remains a major issue in Southeast Asia, with an estimated 1% of growth lost to greedy politicians and bureaucrats.¹¹⁷ There has been a recent push for anti-corruption programs, sometimes initiated from within a country’s government and sometimes orchestrated against their will.

ASEAN’s Response

Clearly, programs to combat these issues are important in Southeast Asia. Initiatives that Southeast Asian countries have created to improve the region include the ASEAN Foundation and the Initiative for ASEAN Integration (IAI). The purpose of the ASEAN Foundation is to promote “awareness, identity, interaction, and development of the people of ASEAN” and to “accelerate the economic growth, social progress and cultural development in the region.”¹¹⁸ The Foundation has published several reports on topics such as education in Southeast Asia, and it also publishes annual reports on their own projects and finances.¹¹⁹ The ASEAN Foundation’s programs include education scholarships, promotion of the arts, media training, and community building, although some programs, such as the ASEAN Leaders Programme, would only be available to the well-off due to the cost. This array of programs demonstrates Southeast Asia’s emphasis on developing its communities through technology, education, and cultural exchange and development.

¹¹³ “The Nutrition Situation and Current Nutrition Actions in ASEAN Member States,” *Regional Report on Nutrition Security in ASEAN*, vol. 2, UNICEF, 2016, p.18, [www.unicef.org/eapro/Regional_Report_on_Nutrition_Security_in_ASEAN_\(Volume_2\).pdf](http://www.unicef.org/eapro/Regional_Report_on_Nutrition_Security_in_ASEAN_(Volume_2).pdf).

¹¹⁴ “Levels and Trends in Child Mortality – Report 2014,” *United Nations Children’s Fund*, 2014, p.10, https://www.unicef.org/media/files/Levels_and_Trends_in_Child_Mortality_2014.pdf

¹¹⁵ *Health in Asia and the Pacific*. World Health Organization, 2008, p.13.

¹¹⁶ Phan, Diep and Ian Coxhead. “Education in Southeast Asia: Investments, Achievements, and Returns.” *Prepared for the Routledge Handbook of Southeast Asian Economics*, Beloit College and University of Wisconsin-Madison, 24 Jul. 2013, Draft for Discussion, p.38, <http://www.aae.wisc.edu/hoseae/d11v1.pdf>.

¹¹⁷ Welsh, Bridget. “Corruption Trends in 2016: Southeast Asia’s Governance Plight,” *BridgetWelsh.com*, Taken from the Habbibie Centre - ASEAN Studies Program, 28 Dec. 2016, <http://bridgetwelsh.com/2016/12/corruption-trends-in-2016-southeast-asias-governance-plight/>

¹¹⁸ “Who We Are.” *ASEAN Foundation*, 2017, <http://aseanfoundation.org/who-we-are/home>.

¹¹⁹ “Publications.” *ASEAN Foundation*, 2017, <http://aseanfoundation.org/publications>.

The IAI is another program initiated by ASEAN. It started in 2000 with the goal of “narrowing the development gap and accelerating economic integration in ASEAN.”¹²⁰ The IAI was meant to increase trade and facilitate economic growth; however, its main financial supporter, Singapore, has been unsuccessful in advancing the initiative.¹²¹ Southeast Asia has expressed the desire to reduce poverty in the region and provide for its people through social programs, but it is difficult to entirely solve such large-scale issues solely from within.

U.S. Response

The United States makes the foreign aid it provides public information, but it does not brand its programs in the same way that China does. The U.S. Mission to ASEAN funds several initiatives in Southeast Asia including the Young Southeast Asian Leaders Initiative (YSEALI) and the aforementioned ASEAN-U.S. Partnership for Good Governance, Equitable and Sustainable Development and Security. In some cases, their programs are relatively well-known, while others are more obscure.

Human Rights and Democracy

The early months of the Trump presidency have revealed a disinclination for U.S. foreign policy officials to discuss the state of democratic processes and human rights—the very essence of American values—across the world.

In his remarks to State Department officials and staff, U.S. Secretary of State Rex Tillerson made one aspect of this administration’s foreign policy clear: the divorce of American values from American policies.¹²² Tillerson asserted that U.S. security and economic interests would be compromised by the need to emphasize U.S. values,¹²³ indicating a clear prioritization of the former considerations over the latter in U.S. foreign policy for the foreseeable future. Tillerson’s remarks were reflected in President Trump’s speech in Saudi Arabia that same month, when the president did not once mention the terms “democracy” or “freedom,”¹²⁴ choosing instead to emphasize the importance of shared security concerns in the region. Such rhetoric, or lack thereof, marks a sharp divergence from previous administrations that emphasized the value of democratic institutions and processes as ends in themselves, and as means to security and economic ends.

The State of Democratic Processes and Human Rights in Southeast Asia

In the post-Cold War years, the United States has played a key role in encouraging the slow but steady progression toward democracy for many countries, frequently commenting on non-democratic regressions in the region. In contrast, the disinclination of the Trump administration

¹²⁰ “Narrowing the Development Gap,” *Association for Southeast Asian Nations*, 02 Jan. 2017, <http://asean.org/storage/2012/05/IAI-Fact-sheet-as-of-2-January-2017.pdf>.

¹²¹ Mun, Tang Siew. “ASEAN @50: Mid-Life Crisis?” *Institute for Southeast Asian Studies*, Singapore, 29 May 2017, Presentation.

¹²² Tillerson, Rex. “Remarks to U.S. Department of State Employees.” *U.S. Department of State*, Washington, DC., 03 May 2017, <https://www.state.gov/secretary/remarks/2017/05/270620.htm>

¹²³ *Ibid.*

¹²⁴ Trump, Donald. “Speech at Arab Islamic American Summit.” *The White House*, 21 May 2017, <https://www.whitehouse.gov/the-press-office/2017/05/21/president-trumps-speech-arab-islamic-american-summit>.

to discuss human rights, as well as some of its implemented policies, could actively and passively undermine democratic progress and human rights in Southeast Asia.

Burma

Burma undertook steps to transition from a military dictatorship to a democratically elected government in 2015. In spite of the country's woeful track record on human rights and democratic processes, President Obama willingly, though carefully, acknowledged progressive reforms: after democratic elections were held, economic sanctions were officially lifted in 2016.¹²⁵

Burma, however, remains a fragile democracy, with the military retaining a significant presence in the country's parliament. In his first months in office, President Trump has yet to contact democratically elected leaders in Burma, signaling a decline in the United States' role in nurturing Burma's transition. Passive non-action in this regard has left many concerned in the United States and Burma.¹²⁶ More worryingly, the individual actions of President Trump have emboldened illiberal factions within Burma to actively undermine democratic processes, with ultra-nationalist groups, such as Ma Ba Tha, justifying their actions by pointing out similarities between President Trump and themselves.¹²⁷

Thailand

In Thailand, President Trump has once again gone against the grain in forging ties with illiberal and undemocratic regimes. Ties between the Thai military junta and the United States have increased dramatically since President Trump took office, marking a sharp divergence from U.S. policy following the 2014 coup¹²⁸ and increasing worries that the United States will put even less pressure on Thailand's generals to hand power back to a democratically elected civilian government.

The Philippines

President Barack Obama's public comments and appeal to President Rodrigo Duterte to conduct his war on drugs "the right way," in a manner "consistent with international norms and rule of law,"¹²⁹ were met with a furious and vulgar-laden backlash by the Philippine president. This was an indication of the emphasis and value that President Obama placed on democratic processes in the region—convictions that held true even as ties between the two long-standing allies were

¹²⁵ Obama, Barack. "Letter -- Termination of Emergency with Respect to the Actions and Policies of the Government of Burma." *Office of the Press Secretary*, The White House, 07 Oct. 2016, <https://obamawhitehouse.archives.gov/the-press-office/2016/10/07/letter-termination-emergency-respect-actions-and-policies-government>.

¹²⁶ Mitchell, Derek as qtd. in Nakamura, David. "As Trump Administration Focuses on Southeast Asia, Concerns Over its Approach to Burma." *Washington Post*, 06 May 2017, www.washingtonpost.com/politics/as-trump-administration-focuses-on-southeast-asia-concerns-over-its-approach-to-burma/2017/05/05/e933156c-3197-11e7-9534-00e4656c22aa_story.html?utm_term=.43300f5d636a.

¹²⁷ U Parmaukkha as qtd. in Kafanov, Lucy. "Burmese Buddhist Monks Love Muslim-Hating Trump." *International Reporting Project*, 13 Mar. 2016, <https://internationalreportingproject.org/stories/view/burmese-buddhist-monks-love-muslim-hating-trump>.

¹²⁸ Niyomyat, Aukkarapon. "Thai Junta Leader Says Trump Sees Ties 'Closer than Ever.'" *Reuters*, 02 May 2017, www.reuters.com/article/us-northkorea-usa-thailand-idUSKBN17Y0TS.

¹²⁹ Obama, Barack. "Press Conference of President Obama after ASEAN Summit." *Office of the Press Secretary*, The White House, Remarks given in Vientiane, Laos, 08 Sep. 2016, <https://obamawhitehouse.archives.gov/the-press-office/2016/09/08/press-conference-president-obama-after-asean-summit>.

negatively affected. Conversely, President Trump praised the actions of President Duterte while inviting him to Washington,¹³⁰ yet another indication of the prioritization of realist interests over human rights concerns dominating current U.S. policy.

¹³⁰ Lema, Karen and Matt Spetalnick. "Trump praises Duterte for Anti-Drug Campaign in Call Transcript." *Reuters*, 24 May 2017, www.reuters.com/article/us-philippines-duterte-trump-idUSKBN18K0FN.

RECOMMENDATIONS

Overarching Themes

We have based our recommendations on a common foundation of multilateralism and capacity building, which are the two main underlying threads tying our recommendations together for the key issue areas of economics, geopolitical tensions, and human security.

Multilateralism

We believe that adopting a multilateral approach to these three key issues will be greatly beneficial to securing America's national interests.

1. Economics: The United States can secure its financial interests by leveraging its position in multilateral institutions and maintaining a steady financial presence.
2. Geopolitical Tensions: A multilateral strategy would allow the United States to maintain a steady military presence in the region and deepen cooperation on regional security issues like counterterrorism and cybersecurity.
3. Human Security: An emphasis on multilateralism would benefit U.S. soft power and provide an effective conduit for diplomacy.

Capacity Building

We also believe that placing an emphasis on capacity building in the region will secure U.S. interests and safeguard American national security.

1. Economics: Strategies that emphasize capacity building will benefit U.S. trade and investment in the region.
2. Geopolitical Tensions: Capacity building will facilitate a U.S. military presence in the South China Sea, thereby strengthening maritime law enforcement, digital infrastructure, and platforms to support coordination and consolidation.
3. Human Security: Capacity building will facilitate all other recommendations such as disaster management, law enforcement, and judicial training that support U.S. interests in the region.

Economic Recommendations

We propose working through existing institutions to promote U.S. economic interests and to support economic development in the region. Working through existing institutions would help to facilitate U.S. economic involvement in the region while at the same time benefitting ASEAN countries, creating a win-win situation. These institutions include the Trade and Investment Framework Arrangement (TIFA), through which ASEAN and the United States have furthered trade and investment ties; the Asian Development Bank (ADB), of which the United States was a founding member and is a continuing partner; and the Asian Infrastructure Investment Bank (AIIB), which the United States is not a member of yet. Through these institutions, we propose that the United States focus on facilitating trade and investment, enforcing regulations, and promoting investment in human capital to maintain an economic presence in the region.

The issue of economic growth and development is both a global and a regional issue. By engaging these multilateral institutions, the United States can adopt a holistic approach to promote economic development in the region.

Strengthen Facilitation of Trade and Investment

Through TIFA, we recommend that the United States focus on facilitating trade and investments by enforcing regulations in the region. Facilitating trade and investments could be accomplished by encouraging the availability of information among trade partners, reducing and eliminating tariffs, developing priority industries, and decreasing debt. The United States and Southeast Asia can work together to provide information that can help improve market access. This can include information on customs laws, regulations, and procedures online, thereby easing export barriers.

Currently, less than 1% of U.S. companies export, with 58% of those companies exporting to only one country.¹³¹ This figure is even smaller in small and medium-sized enterprises (SMEs)—a key element of the U.S. economy—perhaps because they do not have sufficient knowledge and resources to access export markets. Providing such information would therefore greatly benefit U.S. companies as they attempt to access the growing Southeast Asian market. Moreover, the United States can also help to support the growing start-up scene in Southeast Asia. Countries like Vietnam and Malaysia have a growing and dynamic start-up scene. These new businesses present enormous potential for American investors, and an opportunity for ASEAN countries to shift from investment-led to consumption-led economies.

In addition, the United States can focus on developing priority industries within Southeast Asia. Currently, many Southeast Asian countries export textiles and machinery to the United States. The United States can work with Southeast Asia to find ways for American companies to invest in and lend their expertise to these industries. Looking ahead, there are many new economic opportunities, especially in the field of digital and e-commerce.¹³² The United States can work together with Southeast Asia to help facilitate U.S. investments in these areas. These investments can also help accelerate the establishment of the ASEAN Economic Community.

¹³¹ “Exporting is Good for Your Bottom Line.” *International Trade Administration*, 2017
<http://www.trade.gov/cs/factsheet.asp>.

¹³² Hsu, Locknie. “E-commerce holds promise for Asean-US deal.” *The Straits Times*, 23 Feb. 2017,
<http://www.straitstimes.com/opinion/e-commerce-holds-promise-for-asean-us-deal>.

We also propose a debt relief package for certain Southeast Asian countries. Currently, many Southeast Asian economies have a growing external debt, and in most of those countries the United States holds a large amount of the sovereign debt. We propose that the U.S. government negotiate a debt relief package for these countries in exchange for more favorable terms of trade and greater access for U.S. investors. This would provide a mutually beneficial arrangement where the United States can improve its trade deficit with these countries while providing opportunities for U.S. companies to invest in the region. Southeast Asia also will benefit from these investments, while at the same time reducing their debt.

Enforcement of Regulations

The United States can work with Southeast Asia to enforce regulations on both the financial and trade fronts to promote financial stability and fair trade practices. For example, through TIFA, the United States can encourage Southeast Asian countries to implement the Basel III Accord. This is a regulatory framework that helps to strengthen regulation, supervision, and risk management in the banking sector. By encouraging such financial regulations, it will help to safeguard current American investments in Southeast Asia and promote further U.S. investment in the region. This will also benefit Southeast Asia because tighter regulations will strengthen their financial sector, improving conditions for their own people while creating a more favorable environment for foreign direct investment into the country. In addition, the United States can also encourage fair trade practices like anti-dumping and restrictions against currency manipulation. This will benefit the United States because it may help to reduce trade deficits, but it will also benefit Southeast Asia because it will improve their credibility as a trading partner.

Developing Human Capital

Through the ADB, we propose that the United States support initiatives that promote the development of human capital in Southeast Asia. Though there are existing education projects that the ADB supports, we recommend that the United States divert more funds toward projects that help develop human capital in key priority areas for U.S.-ASEAN cooperation, specifically in the digital economy. This would be mutually beneficial. U.S. companies operating in the region would benefit from an increase in the pool of skilled labor, while ASEAN members would benefit from the long-term development of their economies and from a transition from an investment-led to a consumption-driven economy.

Participation in Regional Institutions

The United States should pursue engagements in the region by joining the AIIB. Joining the AIIB would provide an opportunity for the United States to contribute services like project management, sourcing procurement, and further technical assistance that could raise the quality of governance and promote the incorporation of key social and environmental issues surrounding infrastructure development. As more U.S. allies and like-minded governments such as Great Britain, Australia, New Zealand, and, most recently, Canada join the AIIB, China's presence will not be as dominant and overpowering. China's involvement, however, has also proven to be productive in efforts to structure the institution; China consulted with Britain to make the decision to have a board of directors for each project funded by the AIIB.¹³³ The World Bank has

¹³³ Lazarus, Leland. "Why the U.S. Should Embrace the AIIB." *The Diplomat*, 03 Mar. 2016, <http://thediplomat.com/2016/03/why-the-u-s-should-embrace-the-aiib/>.

also been involved with the AIIB since its development and its first project in rural Bangladesh.¹³⁴

While the United States remains engaged in global institutions like the World Bank and the International Monetary Fund, the financial influence of the United States within the AIIB presents an opportunity to balance China's growing economic clout. Currently, China holds about 33% of the voting share in AIIB, more than triple that of any other member country; U.S. involvement could limit their voting power.¹³⁵ Furthermore, being involved in the AIIB would promote the recognition of the ASEAN Economic Community and deepen relations in the region.

Building Digital Infrastructure

With regards to addressing the digital infrastructure gap in Southeast Asia, the United States is already pursuing domestic plans to provide aid to develop citizens and businesses' digital infrastructure through the Cybersecurity National Action Plan.¹³⁶ For further elaboration on cybersecurity recommendations regarding economic development, please refer to the section on geopolitical tensions recommendations.

¹³⁴ Zhang, Jane. "World Bank and AIIB Sign Cooperation Framework." *World Bank*, 23 Apr. 2017, www.worldbank.org/en/news/press-release/2017/04/23/world-bank-and-aiib-sign-cooperation-framework

¹³⁵ "Members and Prospective Members of the Bank." *Asian Infrastructure Investment Bank*, 2017, www.aiib.org/en/about-aiib/governance/members-of-bank/index.html.

¹³⁶ "FACT SHEET: Cybersecurity National Action Plan."

Geopolitical Tensions Recommendations

Maintain U.S. Military Presence in the South China Sea

We recommend the United States maintain its military presence in the South China Sea for the following reasons. First, the South China Sea is of direct relevance to U.S. trade and commercial interests. About \$5.3 trillion worth of trade passes through the South China Sea every year, with U.S. trade accounting for \$1.2 trillion. Second, the livelihoods of many people in Southeast Asia depend on fishing stocks in the region. Fish and marine foodstuffs provide over 15% of the protein supply in Indonesia, Malaysia, and the Philippines, and over 10% in Thailand and Vietnam.¹³⁷ Additionally, some 5.4 million people are employed in the fishing industry in Southeast Asia.¹³⁸ Third, the PCA found that China's island-building activities had "caused permanent and irreparable harm to the coral reef ecosystem" in the South China Sea—actions which are against China's obligation to preserve and protect the marine environment under Articles 192 and 194 of the UNCLOS.¹³⁹ Leaving the South China Sea in the hands of China would not only render the region more vulnerable to potential harm but also undermine the U.S. obligation to uphold FON and threaten U.S. trade and commercial interests. As long as the United States remains anchored in the South China Sea, China cannot become the sole dominant power in the region without putting itself at risk of war with the United States—a scenario that both China and the United States actively seek to avoid.

The United States can maintain its military presence in the South China Sea in two ways:

1. Continue with FONOPs, joint exercises, patrols, etc., with allies and partners
2. Provide technical assistance and capacity-building for maritime law enforcement.

Continue FONOPs, Joint Exercises, Patrols, etc., with Allies and Partners

The U.S. military presence has increased in the form of FONOPs in the South China Sea under the Trump administration. The United States should engage in and maintain joint operations with its allies and other states in the region, particularly ASEAN members and allies like Australia. Even if China attempts to diminish the capabilities of U.S. operations, engaging in more strategic partnerships would not only help the United States achieve its goal of maintaining FON but also reassure Southeast Asian states of the new administration's commitment to the region.

Joint military operations could be enhanced by participating with Southeast Asian countries like Singapore, Malaysia, and Indonesia, all of which surround disputed maritime areas. The United States has engaged in such exercises before. In 2012, for example, the United States participated in Exercise Kiwi Flag, alongside New Zealand, Australia, France, and Singapore.¹⁴⁰ Conducting or participating in similar multilateral exercises would benefit U.S. interests if carried out in Southeast Asian maritime territory.

¹³⁷ Baker, Rodger. "Fish: The Overlooked Destabilizer in the South China Sea." *Stratfor Worldview*, 12 Feb. 2016, <https://www.stratfor.com/analysis/fish-overlooked-destabilizer-south-china-sea>.

¹³⁸ Ibid.

¹³⁹ Singh, Abhijit. "Why the South China Sea is on the Verge of an Environmental Disaster." *The National Interest*, 13 Aug. 2016, <http://nationalinterest.org/blog/the-buzz/why-the-south-china-sea-the-verge-environmental-disaster-17348>.

¹⁴⁰ Heyse, Rebecca. "AF Participates in Exercise Kiwi Flag." *U.S. Air Force*. 06 Apr. 2012, www.af.mil/News/Article-Display/Article/111403/af-participates-in-exercise-kiwi-flag/.

Technical Assistance and Capacity-Building for Maritime Law Enforcement

At 22,549 miles, the Philippines' coastline is one of the longest in the world. Maritime law enforcement is therefore of great importance to the archipelago. While the United States has contributed substantially to the Philippines' maritime security through foreign aid and the donation of warships,¹⁴¹ the Philippines' maritime law enforcement is still lacking considerably. The Special Boat Unit (SBU) was a joint effort by the U.S. and Philippine militaries to combat illegal fishing activities in Filipino waters. Armed with the latest technological equipment and able to move at speeds of over 51 miles per hour, the SBU was expected to effectively combat IUU fishing but fell short of expectations.¹⁴² The SBU was limited by its small fleet—it only had six gunboats, which could not possibly monitor the Philippines' vast waters. Furthermore, the Philippine police were severely underfunded, and a limited fuel budget meant that not all the gunboats were fully utilized.¹⁴³ The United States could support maritime efforts by providing technical training and financial assistance to the police to strengthen their law enforcement capabilities.

Minimalist Approach Towards North Korea

Regarding the North Korean issue, we recommend that the United States adopt a minimalist approach toward North Korea where Southeast Asia is concerned. In our view, there is little or nothing substantial that Southeast Asia can do to help, aside from using platforms like the ASEAN Regional Forum to urge North Korea to stop its provocative behavior and to encourage the parties involved to peacefully resolve their problems through dialogue, consultation, and consensus.¹⁴⁴

President Trump's recent statements calling for Southeast Asia to increase sanctions against North Korea are also not effective.¹⁴⁵ The lesson learned from years of harsh sanctions against North Korea is that sanctions are not an effective method to persuade the Kim regime to abandon its nuclear weapons program and to stop human rights violations. North Korea has been inflicted with some of the harshest sanctions the international community has ever levied, yet North Korea has managed to maintain and enrich their nuclear weapons program despite massive international pressure.¹⁴⁶ Therefore, it would be better to engage North Korea in negotiations that would allow them to maintain regime stability in exchange for abandoning their nuclear weapons program. Calling for increased sanctions and threatening war with North Korea has not yielded positive results, and it has pushed the hermit kingdom into a corner where they now feel that nuclear weapons are their only means of survival.¹⁴⁷ Engaging in dialogue with the North would

¹⁴¹ Felipe, Cecille "Philippines Maritime Law Enforcement Best in Region – United States Envoy." *The Philippine Star*, 27 Sep. 2015, <http://www.philstar.com/headlines/2015/09/27/1504424/philippines-maritime-law-enforcement-best-region-united-states-envoy>.

¹⁴² "Philippines Clamps Down on Illegal Fishing", *The National*, 17 Jun. 2014, <http://www.thenational.ae/world/southeast-asia/philippines-clamps-down-on-illegal-fishing>.

¹⁴³ Ibid.

¹⁴⁴ Han, David. "North Korea Threat - How Should ASEAN Respond." *RSIS Commentary*, no. 94. S Rajaratnam School of International Studies. May 15, 2017, <http://www.rsis.edu.sg/wp-content/uploads/2017/05/CO17094.pdf>

¹⁴⁵ Kausikan, Bilahari. Personal Interview. May 2017.

¹⁴⁶ Kausikan, Bilahari. "North Korea upends strategic logic of Northeast Asia." *Nikkei Asian Review*, 25 Apr. 2017, <http://asia.nikkei.com/Viewpoints/Bilahari-Kausikan/North-Korea-upends-strategic-logic-of-Northeast-Asia>.

¹⁴⁷ Resnick, Evan N. "Trump's Ill-Fated China-North Korea Gambit." *RSIS Commentary*, no. 64. S Rajaratnam School of International Studies, 07 Apr. 2017, <http://www.rsis.edu.sg/wp-content/uploads/2017/04/CO17064.pdf?platform=hootsuite>

ease domestic pressure on the Kim regime and allow them to pursue peaceful resolutions to current tensions. A strong hand is needed to deal with North Korea; however, it is important to remember when pursuing “big stick diplomacy” that the full proverb is “speak softly and carry a big stick.”

The U.S. goal of easing tensions in North Korea can be achieved through cooperation with South Korea and Japan to create a united front and a single plan of action. Working with allies outside of China is increasingly important because the United States has overestimated the magnitude of China’s sway over North Korea in recent years. Many in the executive branch have been calling on China to take a larger role in dealing with North Korea, suggesting that China is simply choosing not to exert its influence over the North. This rhetoric, however, has proven to be false. China has limited leverage over North Korea, as evidenced by Kim Jong-un’s dismissal of Chinese calls for North Korea to abandon its nuclear weapons program and military technology build up.¹⁴⁸

The overestimation of China’s influence could lead the United States to make a deal with China that does not provide the benefits that the U.S. government, and President Trump, expects. It is crucial to remember that China wishes for stability on the Korean Peninsula just as much as the United States does; therefore, it is in China’s best interest to act in accordance with stabilizing efforts by South Korea, Japan, and the United States without the need for further incentives.

Cooperation on Counter-Terrorism

A multilateral posture is essential in effecting a potent response to the threat of transnational terrorism in Southeast Asia. Protracted turbulence in the Middle East coupled with economic issues in the United States have rendered the United States fiscally unable to unilaterally shape the region. A collaborative approach would also ameliorate unease among Southeast Asian leaders regarding the extent of American interventionism, while suggesting numerous avenues for expanded cooperation. One key value of multilateral cooperation lies in its ability to set international standards that elevate awareness of global challenges. The Trump administration should capitalize on Southeast Asian leaders’ enhanced appetite for collaboration in a bid to secure regional stability for collective interests abroad.

On the immediate tactical front, the United States should persist in aiding the development of counter-terrorism programs within Southeast Asian countries, both bilaterally and multilaterally. The Anti-Terrorism Assistance (ATA) it provides for countries such as Indonesia, Malaysia, and the Philippines is a prime example of investments that it should continue to undertake to augment security capabilities in the region. In Indonesia, ATA programs offer training and equipment to law enforcement agencies to bolster their capacity to detect and deter terrorist threats; assistance is rendered in Malaysia to strengthen border and immigration security. Following this paradigm of capacity-building, the United States should also collaborate with Southeast Asia to establish clear, quantifiable targets—such as a fixed number of joint operations or training courses annually—with the aim of fostering active commitment and integration among ASEAN members.

¹⁴⁸ J.P. "Why Doesn't China Rein in North Korea?" *The Economist*. 05 Apr. 2017, <http://www.economist.com/blogs/economist-explains/2017/04/economist-explains-2>

The ASEAN Defense Ministers' Meeting-Plus (ADMM-Plus), which the United States is a dialogue partner of, also presents a valuable platform for the coordination of efforts toward combating maritime security threats in the region. With Singapore assuming the chairmanship of ASEAN in 2018, the United States should support the expansion of the Code of Unplanned Encounters at Sea (CUES), which strengthens maritime security and reduces miscalculations in regional waters through a clear rules-based approach. Channels for open dialogue should concurrently be improved to facilitate greater cohesiveness between the United States and ASEAN. Both Singapore and Vietnam have proposed to annualize the ADMM-Plus from 2017 onward, and the United States could buttress these efforts by positioning itself as a reliable regional partner. By supporting discussions among members, the United States can address growing regional security challenges in a more timely, cohesive, and efficacious fashion.

The proliferation of radicalization in cyberspace also demands U.S.-ASEAN cooperation on the digital frontier. This entails bolstering intelligence surrounding the internet and social media spaces inhabited by militants and sympathizers, as well as employing counter-messaging measures to delegitimize recruitment efforts. At a more fundamental level, the United States could also advise Southeast Asian governments on methods to target the roots of radicalization that stem from deep-seated political, economic, or social grievances, which require consistent, long-term efforts to properly resolve.

Cooperation on Cybersecurity

The United States should be a leader in the ever-changing realm of cybersecurity. Due to the ambiguity surrounding cyberspace, there is an opportunity for the United States to set international norms, ultimately establishing the United States at the forefront of cybersecurity. The United States can engage Southeast Asia on this issue by deepening bilateral relations with Singapore, which is best positioned to contribute to ASEAN's Confidence Building Measures (CBMs). Multilateral efforts also do not need to be formalized but can be deepened by strengthening existing relationships. Working outside of formal ASEAN platforms will be more effective for engagement due to the digital gap between Southeast Asian countries. By navigating outside the formal realm, the United States will avoid disagreement and apathy from nations that do not prioritize cybersecurity. Current plans for CBMs include hosting workshops that focus on expanding access and affordability, while integrating cybersecurity, promoting cybersecurity awareness campaigns, supporting public-private collaboration, and creating and maintaining national computer emergency response teams and computer security incident response teams for all Southeast Asian nations.¹⁴⁹ In addition to current cybersecurity efforts, the U.S. government needs to increase cyber awareness within the private sector, and emphasize the importance of encrypting telecommunications in order to prevent interception from any unintended recipients. By doing so, the United States will shrink the gap within the digital infrastructure in both the private and public sectors, while mitigating risks to the intellectual property of U.S. businesses.

¹⁴⁹ Heintz, Caitríona. "Cyber Capacity-Building in ASEAN: Importance of Confidence-Building Measures." *Observer Research Foundation*, 18 Oct. 2016, www.orfonline.org/expert-speaks/cyber-capacity-building-in-asean/.

Human Security Recommendations

Human and Drug Trafficking

One of the first steps in combatting human trafficking in Asia would be to ensure that all trafficked individuals have the right to fair and honest legal and judicial protection. Effective law enforcement and a judicial system free from corruption is needed to stop trafficking. In this regard, enforcing existing laws is more crucial than passing additional legislation. In the case of many Southeast Asian countries, corruption within the police administration as well as inadequate legal institutions are the main impediments to dismantling complex human trafficking networks.¹⁵⁰ Therefore, more resources should be designated toward specialized law enforcement and judicial training programs.

Multinational corporations (MNCs) also can play a considerable role in combating forced labor in their supply chains. Large MNCs like Microsoft and Google have acknowledged their ability to combat human trafficking. Be it making investments in capacity-building efforts and professional development programs or improving certain aspects of their supply chain, MNCs are uniquely positioned to prevent trafficking and to report instances of it to local law enforcement. Recently, Microsoft has collaborated with the U.S. Agency for International Development (USAID) and other non-profit and non-governmental organizations to develop best practices in using technology to create anti-human trafficking solutions as part of USAID's Asia Counter Trafficking in Persons (CTIP) Program.¹⁵¹ This three-year project will set a precedent for future collaborations and programs that can further engage Asian governments and NGOs in countering human trafficking and ameliorating its effects. What is also needed is continued research and development to ensure that forced labor, sexual abuse, and other forms of trafficking do not take place in the supply chains of MNCs.

Regarding the issue of drug trafficking in Southeast Asia, the United States should move away from bilateral agreements and instead adopt a multilateral approach by working with ASEAN to combat the trade and abuse of narcotics. The U.S. Drug Enforcement Agency (DEA) funds and conducts training and investigations on narcotics control in Southeast Asia with multiple governments. For example, the DEA shares drug-related intelligence and conducts joint investigations with Burmese authorities. The United States also provides training and assistance to the Royal Thai Maritime Police to help Thailand control its maritime borders, and it works with Vietnam's Ministry of Public Security to share information and coordinate operations. However, bilateral training and assistance only eliminates the drug supply and demand to an extent, as cutting off narcotics in one state causes traffickers to simply find alternative routes and markets in the region. For example, the United States can work with Vietnam on the Mekong River, but this transit route also flows through Laos, Burma, Thailand, Cambodia, and China. The United States needs to assist Southeast Asia by expanding intelligence and improving communication among all Southeast Asian states to effectively decrease trafficking.

¹⁵⁰ Haugen, Gary A. and Victor Boutros. *The Locust Effect: Why the End of Poverty Requires the End of Violence*. Oxford University Press, 2014.

¹⁵¹ Cann, John. "Pressing on in the Global Fight Against Human Trafficking." *Microsoft Asia News Center*, 23 Mar. 2017, <https://news.microsoft.com/apac/2017/03/23/pressing-global-fight-human-trafficking/#sm.0001byldyzf0uf5fw6f1501dx2yfi>.

ASEAN has addressed its narcotic issues by establishing set guidelines and goals with their *ASEAN Work Plan on Securing Communities Against Illicit Drugs 2016-2025*. ASEAN is yet to create a budget for its plans and initiatives, but it remains a key platform for discussions and propositions. The United States should involve itself with the *ASEAN Work Plan*; currently, section VII, which addresses extra-regional cooperation, excludes mention of the United States.¹⁵² The U.S. government can provide support and galvanize ASEAN's initiatives by leveraging the DEA's research and investigative capabilities. For example, the United States can help ASEAN develop the ASEAN-NARCO database for data-information sharing on fugitives and commonly targeted drug associations. In addition, the United States can play an unbiased role in ASEAN's *Work Plan* strategies that target units and groups practicing forms of corruption.

Southeast Asia deals with a handful of transregional, non-traditional security issues that require information sharing, joint training, and research. The United States can further collaboration with ASEAN and other multilateral groups to increase security and communication on drug and human trafficking issues in the region. While it is up to individual countries in Asia to address the problems associated with human and drug trafficking, the battle against trafficking requires greater regional cooperation. The United States, ASEAN, the South Asian Association for Regional Cooperation, and other regional organizations need to take more active roles in ensuring the sharing of best practices, information, and intelligence, as well as in organizing joint law enforcement exercises to combat organized criminal activities like human and drug trafficking.

Humanitarian Assistance and Disaster Relief

We recommend that the current administration continue to sustain its partnership with ASEAN to coordinate disaster relief based on a multilateral framework. We believe the following recommendations can contribute to ASEAN's goal of institutionalizing AADMER, a regional cooperation framework for disaster management. Currently, AADMER encourages regional responses and complements national efforts to respond to natural disasters in Southeast Asia.¹⁵³ However, relevant U.S. agencies should collaborate with ASEAN and leverage its multilateral framework to develop a more extensive and resilient disaster management and emergency response system. Specifically, existing mechanisms—such as the PROGRESS partnership—can be extended to tackle a wider range of issues and to deepen the level of engagement between the United States and ASEAN.¹⁵⁴ For example, the United States can develop education programs that are targeted at ASEAN officials involved in disaster management. Education programs can be structured to educate Southeast Asian leaders on effective disaster response methods and on the use of information communication technology for disaster relief.

The United States can partner with ASEAN to help their disaster management programs achieve financial sustainability. Endowment funds can be adopted by ASEAN, and fund managers from American universities can collaborate with ASEAN to develop a framework and structural

¹⁵² “The ASEAN Work Plan On Securing Communities Against Illicit Drugs 2016-2025.” *Association of Southeast Asian Nations*, 20 Oct. 2016, <http://asean.org/storage/2016/10/ASEAN-WP-on-Securing-Communities-Against-Illicit-Drugs-2016-2025-FINAL.pdf>.

¹⁵³ “ASEAN Vision 2025 on Disaster Relief.”

¹⁵⁴ “ASEAN-U.S. Partnership for Good Governance, Equitable and Sustainable Development and Security.”

processes for ASEAN to develop and manage its own fund for financial sustainability.¹⁵⁵ The funds can be used to create research and development capabilities for disaster relief responses in Southeast Asia.

In addition, the United States should expand its current efforts to develop innovation capabilities in Southeast Asia. For example, officials from the ASEAN Coordinating Center for Humanitarian Assistance on disaster management can be attached to the Office of U.S. Foreign Disaster Assistance to encourage information sharing between disaster relief experts.¹⁵⁶ This program will promote technology transfer and the diffusion of best practices to ASEAN officials and allow ASEAN to improve its disaster relief capabilities. Furthermore, ASEAN seeks to leverage the strategic element of partnership and innovation to guide the institutionalization of the ASEAN Agreement on Disaster Management and Emergency Response and to promote ASEAN integration.¹⁵⁷ The United States can therefore further its engagement with ASEAN in the domain of disaster relief by encouraging technology transfers that complement the strategic direction of ASEAN's Vision 2025.

The U.S. military should also continue its humanitarian assistance and disaster relief in the region. For example, when the Philippines experienced Typhoon Haiyan in 2013, the U.S. military immediately came to its relief and conducted humanitarian assistance missions, while China reacted slowly and lacked the hospital ships needed.¹⁵⁸ Southeast Asia still relies on U.S. aid due to America's advanced navy and military expertise; the United States should work with Southeast Asian nations and their navies to train and prepare for future disasters.

Foreign Assistance

With China's growing influence in Southeast Asia, the United States must not reduce foreign aid to the region. Instead, the United States needs to examine the priorities and concerns of Southeast Asia, and promote appropriate initiatives to meet specific objectives. The relevant U.S. agencies and NGOs must identify specific areas that require foreign aid, and then work to form effective initiatives. Developing a partnership with ASEAN in a multilateral setting will allow the United States to demonstrate its commitment to the region and reduce the likelihood of Southeast Asian countries relying on China for foreign aid.

Currently, USAID plays an advisory and coordinating role for foreign aid. This allows the agency to manage the resources provided to Southeast Asian governments and local non-governmental organizations. This practice reduces the risk of corruption and ensures that U.S. aid is perceived as helpful and relevant in recipient countries. To maximize the public diplomacy benefits of foreign aid, every dollar of U.S. aid needs to be easily traced back to the United States. We recommend effective branding and marketing of U.S.-funded initiatives to increase U.S. influence in Southeast Asia, to counter China's One Belt, One Road initiative, and to garner domestic support for foreign assistance to the region. As a democracy, the United States needs to

¹⁵⁵ "ASEAN Vision 2025 on Disaster Relief."

¹⁵⁶ "Office of U.S. Foreign Disaster Assistance." U.S. Agency for International Development, 2017, www.usaid.gov/who-we-are/organization/bureaus/bureau-democracy-conflict-and-humanitarian-assistance/office-us.

¹⁵⁷ Ibid.

¹⁵⁸ Hosford, Zachary M. "The U.S. Humanitarian Presence in Southeast Asia." *The Diplomat*, 25 Dec. 2013, <http://thediplomat.com/2013/12/u-s-hadr-missions-in-southeast-asia/>.

communicate to the American people that an effective foreign aid policy to Southeast Asia complements other aspects of U.S. foreign policy, such as national security and economic and diplomatic interests, by increasing cultural and moral influence in the region. An effective American foreign aid policy in Southeast Asia enhances the legitimacy and moral authority of the United States in the region, and it increases the likelihood that Southeast Asian nations will be receptive to a U.S. military presence, as well as trade agreements and other interests.

We recommend that U.S. foreign aid policy focus on forming partnerships with Southeast Asian governments and non-governmental organizations (NGOs). Additionally, the United States must monitor funds to ensure effective use of aid and to discourage corruption, and it must promote the successes of its initiatives to peoples in Southeast Asia and the United States in order to both garner domestic support and maximize U.S. influence abroad. A world power cannot ignore the problems of the world; instead, the United States should promote itself as a global leader in alleviating poverty and providing foreign aid, which would minimize the risk of being overshadowed by China and being irrelevant in one of the most promising economic regions in the world.

Human Rights and Democracy

In the 1970s, the United States established a formal human rights policy. Since that time, all presidents have followed a relatively consistent path in dealing with human rights issues. Despite occasional clashes over the dynamic between emphasizing human rights and securing other bilateral priorities such as trade and counter-terrorism, one should not assume that pursuing human rights will inherently harm other U.S. interests.¹⁵⁹

Revert to Prioritizing Democratic Values

For the United States to maintain its unique position as both a strong economic and military presence in the region, the essence of democracy cannot be compromised. American values are the ideals that distinguish the United States from its competitors, allowing the United States to separate its own self-serving interests from its economic and military interventions in the region.

On this issue, opinions differ between the executive branch and Congress, with Congress taking a strong position on human rights and democracy.¹⁶⁰ In this regard, the Trump administration stands to face greater scrutiny and resistance when promoting foreign policy initiatives that fail to reflect the values of the American public. Such resistance could hinder U.S. foreign policy on many other issues beyond democratic values; therefore, the Trump administration should do everything it can to avoid such a scenario by reverting to a position that makes engagement with other countries contingent upon democratic values, as opposed to simply economic and security needs.

The Need for Public Discourse

State Department officials noted that many discussions critiquing and addressing democratic regressions in the region take place behind closed doors.¹⁶¹ Officials note that closed-door

¹⁵⁹ Lagon, Mark P. "Promoting Human Rights: Is U.S. Consistency Desirable or Possible?" *Council on Foreign Relations*, 19 Oct. 2011, <https://www.cfr.org/expert-brief/promoting-human-rights-us-consistency-desirable-or-possible>.

¹⁶⁰ Mistry, Dinshaw. Personal Interview, 18 May 2017.

¹⁶¹ Hachigian, Nina. Personal Interview, 25 May 2017.

discussions can be effective, as they allow for honest exchanges without the prospect of public humiliation.

While such engagements are no doubt critically important, public discourse cannot be completely eschewed in favor of closed-door negotiations. For starters, many key actors who take cues from U.S. positions would potentially not be part of closed-door sessions, and thus could take U.S. silence as passivity or apathy. Moreover, public platforms are important in reinforcing U.S. commitments to a wider audience, possibly pre-empting non-democratic regressions before they occur.

Not speaking out against human rights abuses legitimizes violence and sends the message that the rule of law and human rights can be ignored. It also sets a standard for other countries to ignore human rights, which could result in a race to the bottom if the United States chooses not to take a stand on human rights.

Engagements through Non-Governmental Actors

The United States government must continue supporting non-governmental actors such as the National Democratic Institute and other non-partisan entities that can strengthen existing key democratic institutions within Southeast Asian nations and sustain momentum for genuine democratic progress in the region. Support for NGOs is Congressionally-initiated, and thus remains beyond the jurisdiction of the White House; nevertheless, actions by the executive branch can either undermine or bolster the activities of civil society agents. This is an under-discussed aspect of foreign policy that is of crucial importance.

Educational Programs

The administration should continue to promote the Young Southeast Asian Leaders Initiative (YSEALI) and explore the option of creating additional educational programs that focus on deeper people-to-people cultural exchanges. The current YSEALI program focuses on the areas of social entrepreneurship and economic development, civic engagement, and environmental and natural resource management.¹⁶² Under the current administration, the YSEALI program could be revised to include a program that sends young American leaders who have made an impact in the aforementioned areas to Southeast Asian countries to engage their counterparts. We recommend that the Trump administration also expand the YSEALI program to include a social entrepreneurship program for participants to visit relevant social enterprises in Silicon Valley to allow for technological transfers and the exchange of best practices. Also, American business leaders in social enterprises can play an advisory and coordination role for projects initiated by graduates of the YSEALI program.

Beyond the current range of themes in the YSEALI program, new potential topics could include cultural sensitivity and universal values training to promote a deeper understanding between Southeast Asians and Americans. Deeper understanding on an individual level contributes to a conducive environment for the United States to continue engagement with Southeast Asia and promote selected agendas such as the recognition of human rights.

¹⁶² “Exchanges.” *U.S. Department of State*, 2017, <https://exchanges.state.gov>.

This indirect and intangible strategy complements other direct strategies—classified as hard power—by the current administration, and it facilitates the promotion of U.S. policies in Southeast Asia. Additionally, this strategy encourages individual interactions between Southeast Asians and Americans and promotes a greater understanding of the need to be aware of cultural sensitivities.

CONCLUSION

For the sake of the pursuit of common interests, we have illustrated that the United States should engage Southeast Asia on our three key issues through multilateralism and capacity building.

We recognize the priorities of the new administration, including its emphasis on global security issues as well as the “America first” approach to economic considerations. Nonetheless, we put forth our position that issues that may be considered secondary to the new administration are, in fact, fundamentally critical to its primary considerations.

U.S. economic and security interests cannot be secured without a stable and welcoming Southeast Asia; by addressing issues vital to the wellbeing of countries in the region, U.S.-Southeast Asian collaboration on non-economic and non-security issues can serve as a platform to rebuild U.S. credibility and goodwill in the region.

Ultimately, the United States must maintain its relevance in the region to secure its own interests, as well as to counteract China’s increasingly assertive attempts to gain a hegemonic stronghold over Southeast Asia. Engaging the region on issues beyond hard economic and security concerns is the best way for the United States to not only maintain its presence but also to retain its leadership in Southeast Asia.

LIST OF ORGANIZATIONS/SPEAKERS

We would like to extend our deepest gratitude to the following speakers and organizations for graciously hosting us and giving us a deeper insight and understanding of U.S.-Southeast Asian relations (honorifics omitted).

Washington, D.C.

ASEAN Center

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Brookings Institute

Mireya Solis, *Senior Fellow and Philip Knight Chair in Japan Studies, Brookings Center for East Asia Policy Studies*

ASEAN Matters for America/America Matters for ASEAN Launch

Patricia Mahoney, *Acting Deputy Assistant Secretary for Southeast Asia, U.S. Department of State*

Lieutenant General Wallace “Chip” Gregson, Jr. (Ret.), *Former Assistant Secretary of Defense for Asian and Pacific Security Affairs, U.S. Department of Defense*

Alex Feldman, *President, U.S.-ASEAN Business Council*

Center for Strategic International Studies (CSIS)

Murray Hiebert, *Senior Advisor and Deputy Director, CSIS Southeast Asia Program*

Congressional Research Services

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Mark E. Manyin, *Specialist in Asian Affairs*

East West Center

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Foreign Service Institute

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National Democratic Institute

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Yumeka Hirano, *Economist in the World Bank's Office of the Chief Economist for EAP*

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Pacific Council

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Jennifer A. Faust, *Executive Vice President, Pacific Council*

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American Chamber of Commerce in Singapore (AmCham)

Ashley Rossi McInerney, *Interim Executive Director*

“America’s Role in the Indo-Pacific” Launch

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Simon Jackman, *Chief Executive Officer, United States Studies Centre, University of Sydney*

Stephen Smith, *Director and Distinguished Fellow of Perth USAsia Centre, The University of Western Australia*

Dino Patti Djalal, *Founder, Foreign Policy Community of Indonesia*

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ASEAN+3 Regional Economic Outlook 2017: Risks and Opportunities

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ABBREVIATIONS & ACRONYMS

ACCP: ASEAN Cyber Capacity Program
ADB: Asian Development Bank
ADMM-Plus: ASEAN Defense Ministers' Meeting-Plus
AIIB: Asian Infrastructure Investment Bank
ARF: ASEAN Regional Forum
ASEAN: Association of Southeast Asian Nations
AADMER: ASEAN Agreement on Disaster Management and Emergency Response
ASEAN-NARCO: ASEAN Narcotics Cooperation Center
ATA: Anti-Terrorism Assistance
CBM: Confidence Building Measure
CNAP: Cybersecurity National Action Plan
COC: Code of Conduct
CRS: Congressional Research Services
CSIS: Center for Strategic and International Studies
CTIP: Counter Trafficking in Persons
CUES: Code of Unplanned Encounters at Sea
DC: District of Columbia
DEA: Drug Enforcement Administration
DoD: U.S. Department of Defense
DoS: U.S. Department of State
DPRK: Democratic People's Republic of Korea (North Korea)
EAS: East Asia Summit
EEZ: Exclusive economic zone
FATF: Financial Action Task Force
FDI: Foreign direct investment
FON: Freedom of navigation
FONOP: Freedom of navigation operation
FTA: Free trade agreement
ICBM: Intercontinental ballistic missiles
IMF: International Monetary Fund
ISEAS: Institute of Southeast Asian Studies
ISIS: Islamic State of Iraq and Syria
IUU: Illegal, unregulated, unreported
MNC: Multinational corporations
OBOR: One Belt One Road
PCA: Permanent Court of Arbitration
PROGRESS: ASEAN-U.S. Partnership for Good Governance, Equitable and Sustainable Development and Security
RCEP: Regional Comprehensive Economic Partnership
RSIS: S. Rajaratnam School of International Studies
SAARC: South Asian Association for Regional Cooperation
SCS: South China Sea
SEA: Southeast Asia
SME: Small and medium enterprise
SOE: State-owned enterprise
TIFA: Trade and Investment Framework Arrangement
TPP: Trans-Pacific Partnership
UN: United Nations
UNCLOS: United Nations Convention on the Law of the Sea
UNHRC: United Nations Human Rights Council
U.S.: United States of America
USAID: U.S. Agency for International Development
WTO: World Trade Organization