

## UNITED STATES-ASEAN RELATIONS

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The United States and ASEAN have entered a new era in our relations. I would like to talk about the current relationship and what we hope that relationship will look like in the coming years. I don't want to spend too much time on our past relations with ASEAN, but it is important to spend a few minutes recounting how longstanding our commitment to ASEAN has been.

I want to emphasize three points that came out of what President Obama said to the ASEAN Leaders when he met with them here just a few weeks ago. These are quotes from the President that I think will give you a sense of how we look at ASEAN and the points we want to make in terms of our dealings with ASEAN.

First, the President reminded people both in his speech in Tokyo and in his meeting here that the United States is a Pacific power, and we have been committed to and engaged with Southeast Asia in a serious way for decades.

In recent years, there has been a little buzz that even those of us in Washington could hear from ten thousand miles away expressing some concerns that the US was distracted or perhaps not fully committed to ASEAN and to Southeast Asia. And it was a source of some frustration for all of us working in ASEAN, because we felt we have actually been quite active. We can debate on that point, but the important thing is that the perception did exist that the US was not as engaged as it should be.

The ASEAN–United States Dialogue relationship began 32 years ago, in 1977, during a very different time globally. Our early relations with ASEAN were focused on economics, trade and development. It was not until the Eleventh ASEAN–U.S. Dialogue meeting in Brunei in 1993 that we even had any political issues for discussion on our formal Dialogue agenda. Then, in 2002, we established the ASEAN Cooperation Plan, and Secretary Powell signed the ASEAN-

United States of America Joint Declaration for Cooperation to Combat International Terrorism. By then, the world had changed, and ASEAN–U.S. relations were changing in response.

Our relations have grown dramatically since then. ASEAN Leaders and President Bush issued the Joint Vision Statement in 2005 creating the Enhanced Partnership, and ASEAN Foreign Ministers and Secretary Rice signed the Plan of Action to implement that Statement in 2006. We also signed the Trade and Investment Framework Arrangement that year. As we implemented those agreements, our work with the ASEAN Secretariat and with member-government officials increased greatly.

My own position reflects this broader engagement. In May of 2008, I became the first United States Ambassador for ASEAN Affairs. The establishment of this position demonstrated the broad recognition in the U.S. Congress as well as the Administration of the importance of ASEAN–U.S. ties. Through the end of 2008, we worked closely and effectively with the ASEAN Secretariat and all of the ASEAN nations to support ASEAN’s goals and to strengthen our ties.

But I think it’s fair to say that this year has seen a major boost in our relations.

First, on the ASEAN side, a new Charter was put into place. We are marking its first anniversary (15 December) this week. Since then, the building of numerous regional institutions to manage security, economic, human rights and many other issues where we have common interests is well underway.

On the U.S. side, Secretary Clinton has made three trips to the region since taking office in January of this year, a remarkable level of engagement. In February, she was the first Secretary of State, and the first U.S. government cabinet member, to visit the ASEAN Secretariat. In July, the Secretary signed the Treaty of Amity and Cooperation, the TAC. She also announced that the United States would establish a mission to the ASEAN Secretariat in Jakarta. The United States will be the first Dialogue Partner to set up an independent mission to ASEAN with an ambassador to ASEAN based in Jakarta. We will send the first person on that mission out next month to Jakarta, and we hope to have the ambassador out there by next summer, depending on some work we need to do with the Indonesians and the ASEAN Secretariat as well as some work we need to do in Washington.

Finally, as we all know, President Obama met with ASEAN Leaders in Singapore last month, the first time that has happened. I wish it had happened sooner, but I am glad that **it** happened now. This first meeting of a U.S. President with all ten ASEAN Leaders is a clear

indication of a new era in our political engagement. The President also said that the United States is committed to engaging ASEAN at the highest levels and proposed that he meet with ASEAN Leaders again next year. We are still working on the time, date, and location of that meeting. But the point is, in the first year of the Obama Administration, you have seen, not only in words but in practice, a very strong reaffirmation of the US commitment to ASEAN and to Southeast Asia.

Point number two - and this is long-standing but has been reinforced by the current administration - is the U. S.' support for ASEAN's success. What has driven this long-standing engagement and recent efforts to boost relations to an even higher level? First and foremost, the United States has long recognized that a strong, prosperous, and peaceful Southeast Asia was in its national interest and that a successful ASEAN could and would contribute to that goal. If Southeast Asia is successful, meaning prosperous, and its people enjoy peace, stability and increased opportunity, that's good for the United States, it's good for the region, it's good for us. So we have always supported ASEAN's goals, and we clearly support ASEAN's very ambitious agenda of building a community by 2015, including economic integration and a single market. The President stressed in all his conversations here that we support that both rhetorically and in practice. We have a number of assistance programs with the ASEAN Secretariat and ASEAN as a whole to try to help ASEAN achieve these goals, things like capacity-building for the Secretariat, workshops, and seminars to identify some barriers to the integration of ASEAN. So, in this sense, the US agenda for ASEAN is in fact the ASEAN agenda. We don't have an agenda other than to support ASEAN's ambitious goals. That is why we have been working with ASEAN - as well as bilaterally with ASEAN members - for decades.

The third point is a little bit new. For a long time, when we worked with ASEAN we talked about strengthening ASEAN's important role and tried to work together more. We continue to do that, of course, but the important third point is that we see what ASEAN has done in recent years. We see the work of the Eminent Persons Group. We see the work to build and ratify the Charter, to create a legal status for ASEAN, to create the blueprints for integration, and to build communities in the three pillars of ASEAN. We see ASEAN playing an important role in the region and in the world, and we agree. Therefore, let us be partners. We look at ASEAN not only as an institution that is doing work in Southeast Asia but as a regional and global partner. Some might think that this is a little bit ambitious, but I think it is essential.

We recognize and appreciate ASEAN's significant development and progress in recent

years and have worked to respond positively to it. ASEAN's Charter, its Intergovernmental Commission on Human Rights, the development of a Community with its three pillars – all are of interest to the United States and to ASEAN's other Dialogue Partners. These political developments alone would keep us interested in and supportive of the Community-building process.

We see ASEAN becoming a more regional and global player. The President said, let us work together, let us work together for climate change, let us work together in supporting the G20 and promoting global recovery and long-term development, let us work together on trade, let us work together on non-proliferation, whether it is North Korea, Iran or broader non-proliferation issues. I think this is going to be a work in progress for a while. We and ASEAN are trying to figure out how we can work together as diplomatic partners. It goes without saying that, while ASEAN has made a lot of progress, it does not yet always speak with one voice or has one person who can speak as spokesperson for ASEAN for all its foreign-policy issues, but I think it is moving in that direction, and we are very interested in being a partner.

That partnership is going to work on issues that are of concern to both the United States and ASEAN – climate change, economic growth, economic development and trade – and not just the issues that the US cares about, not just the issues that ASEAN cares about. This is the area where we have a lot of work to do. We also have work to do dealing with each other as partners on issues that affect individual ASEAN countries, issues like Burma or Myanmar, internal ASEAN issues. It is a problem for the people of the country, it is a problem for ASEAN, it is a problem for the United States, and we need to find ways we can work together as diplomatic partners. It is not going to be easy, but I think it is very important. Again, ASEAN sets the agenda; it is a very impressive agenda and we very much welcome it. I meet regularly with my ASEAN counterparts and we meet at different levels to talk about how the United States can be helpful.

ASEAN is also an important economic partner for the United States, and vice-versa. We have known this since the beginning of our Dialogue relationship. Commercial interests on both sides would be sufficient to drive our cooperation. ASEAN-U.S. trade totaled \$180 billion in 2008, growing in a difficult year.

What may be less well known is the story on investment. The American private sector has accumulated \$153 billion in foreign direct investment in ASEAN, on what is called a historical-cost basis. For the last two years, the cumulative American investment in ASEAN has

been greater than our *combined total* investment in China, Japan and Korea (which was \$152 billion last year). ASEAN is now the destination for the fifth largest share of U.S. foreign investment in the world. Very few people know that, very few people in the United States know it.

There may be a temptation to call this extraordinary level of economic engagement between the United States and ASEAN a success and to put some of the problems raised by the private sector, which are limiting an even greater investment relationship, on the back burner. But just the opposite tack is called for. Doesn't it make sense for us to do all we can to maximize one of the strongest features of our relationship?

When we consider that this investment is not just dollar signs, but that it is actually the conveyor belt for trade growth, foreign exchange earnings, technology transfer and broad economic development, we have a mutual interest in making sure that these benefits are all they can be, especially as ASEAN implements its plans to become a single market and production base.

President Obama cited our economic relations and more when he met with ASEAN Leaders last month. He described his own experience in Southeast Asia as proof that the ASEAN countries and their 560 million people have very close and personal links with communities and families in the United States. Building on those many individual relationships, the President described the United States not simply as a partner for ASEAN, but as a member of the ASEAN family. We have a relationship that will support ASEAN's development, advance the ambitious goals for the region that we share, and result in great benefits for Southeast Asia and beyond.

The President and the ASEAN Leaders issued a Joint Declaration when they met in November that describes a number of actions we will take in the coming months. I think it will be useful to review the main points of the Joint Declaration:

- One action will be the establishment of an Eminent Persons Group to help define the road ahead and to generate ideas for enhanced ASEAN-U.S. cooperation in addressing regional and global issues. We intend to establish the Eminent Persons Group early next year, so that it can develop its recommendations before the next ASEAN-U.S. Leaders meeting in 2010.

- The Joint Statement recognizes the importance of educational and professional exchanges, especially in science and technology and people-to-people interactions. We plan to pursue the conclusion of a Science and Technology Agreement with ASEAN. We will increase opportunities for English language training in response to the many requests we have received from ASEAN officials. We also will be discussing people/labor mobility, interfaith dialogue, and development cooperation.
- The Leaders agreed on a vision for building a regional architecture that is inclusive, promotes shared values and norms, and respects diversity in the region, with ASEAN as central in the process. The United States will be looking closely at existing institutions and all the ideas for regional architecture that have been proposed. We will consult with our ASEAN colleagues as this process moves forward.
- Human rights were discussed by the leaders. The President invited members of the ASEAN Intergovernmental Commission on Human Rights to the United States next year to consult with international experts in this field. In addition, we are supporting a Human Rights Resource Center for ASEAN, a Track II initiative with the University of Indonesia as its host institution and including a network of universities throughout ASEAN. We hope to launch the Center next month.
- We welcomed the ASEAN Leaders' statement on connectivity, which they adopted at their October summit meeting. We will be consulting with ASEAN's other partners and our private sector, who are active in this area.
- ASEAN welcomed continued U.S. participation in regional institutions that deal with security like the ASEAN Regional Forum, and also welcomed the plans of our Secretary of Defense to consult with his ASEAN counterparts on the proposed ASEAN Defense Ministers Meeting-Plus (ADMM-Plus) mechanism.
- The Leaders noted the vibrant economic relations that ASEAN and the U.S. currently enjoy and called for additional cooperation, including under the TIFA. The U.S. government is discussing an idea with the U.S.-ASEAN Business Council to invite the ten ASEAN trade ministers to a road show in the United States in 2011. This would be an opportunity for a policy dialogue between ASEAN and U.S. officials and the business community. Most important, it will be an opportunity to showcase the opportunities presented by ASEAN economic integration and the large and prosperous market it will

create. The ASEAN Economic Community has tremendous potential to be a game changer: it will transform the way the world perceives ASEAN. I was pleased to be able to participate in the launching of the book “Realizing the ASEAN Economic Community”, while I was in Singapore attending the Leaders Meeting. The goal of the ASEAN Economic Community is to create a free flow of goods, services, foreign direct investment, and skilled labor, as well as a freer flow of capital in the region. This will be technically and politically difficult. But the book, which was produced by ASEAN and the United States and published by ISEAS, quantifies the likely benefits of the Economic Community. It convincingly estimates that the effects will be very large, even greater than the effects of the single market in Europe. Trade in goods, foreign investment, per capita income, progress in narrowing the development gap and in consumer markets will all see improvements.

- Our Leaders agreed to strengthen efforts to combat international crime and terrorism. Our technical officials will be discussing with ASEAN officials a number of areas of possible cooperation beginning this week.
- The Leaders agreed to work closely together on climate change. As a result, we are assigning a climate advisor to the ASEAN Secretariat to aid in the advancement of ASEAN’s climate program. The President also offered to have Secretary of Energy Chu meet with ASEAN energy ministers next year to discuss energy security and clean energy initiatives.
- The Leaders agreed to strengthen cooperation on food security, particularly to promote investment, capacity building and best practices. We will be consulting with ASEAN and the private sector on implementing this initiative.
- While the United States and ASEAN have an active program of disaster management activities, the leaders emphasized the importance of further strengthening cooperation in this area. The United States will continue to support ASEAN capacity building to deal more effectively with disasters. We will provide additional support for the recently ratified ASEAN Agreement on Disaster Management and Emergency Response (AADMER) and will cooperate with ASEAN in the development of a Multi-Hazard Early Warning System.

ASEAN has twin challenges on the economic integration front. One is carrying out the

economic integration work, which is a huge challenge. Imagine an ASEAN in 2015 that is a single market; imagine what that is going to do to the region. I think it is huge, and I am surprised that people are not talking even more about it; but it is not going to be easy. We all know it is easy to talk about political things, about diplomatic things. It is easy to talk about economic integration but much harder to do. It is a huge challenge that requires an extraordinary political leadership from within ASEAN. The United States and others will be supportive, but it is going to require very strong leadership from all of ASEAN.

The other part of the challenge is the marketing challenge. People in the United States and businesses in the United States for the most part do not know what ASEAN is trying to do. You will be surprised how little people know about ASEAN not just in the United States, but also in Europe and other parts of the world. There hasn't been more marketing about ASEAN, especially the economic integration. I think it is a challenge and also an opportunity, because there is a great story to tell out there. The opportunity to attract significant interest and significant investments, create jobs, reduce poverty, increase wealth in this region, is dramatic. One of the things we have to do is to help ASEAN do a better job of marketing itself, while it does the harder job of achieving economic integration. I have gone on at length about the economic pillar, but I think it is really important and ASEAN only has five years to achieve the goal. I think a lot of things have been done, but this has to be a top priority and the one we need to continue to focus on.

There is another paragraph in the Joint Statement that may not stand out at first glance and has no action items to be checked off in its language. However, its implications are large and, in a nutshell, it describes the new level of ASEAN-U.S. relations we are working to build. This is the discussion of ASEAN's growing capacity and role in global issues. It will not always be easy to step up to the plate, as they say in the U.S. But, as ASEAN implements its own Community, its voice will be increasingly sought out and listened to in the world community. Already, ASEAN is an official observer at the United Nations, is developing formal relations with other regional organizations and has participated in two meetings of the G-20. The President and ASEAN Leaders discussed non-proliferation and disarmament, the DPRK and other global issues that extend beyond Southeast Asia. The United States will support ASEAN's continuing role in addressing multilateral issues consistent with its growing capacity to make a contribution to the problems facing the international community.

I would add that, as the United States increases its engagement with ASEAN, we hope that the ASEAN countries will increase their support of the institution as well. The ASEAN Secretariat is too under-resourced and staffed to manage the global role that the organization must assume. I would encourage ASEAN countries and other partner-nations to dedicate the much-needed personnel and resources to create the capacity for ASEAN to fulfill its important mandate.

I mentioned other issues. I mentioned the Charter. I should mention the new human rights body. I think it is a positive step. I know there has been a lot of criticism that it does not go far enough. It is almost impossible to go far enough when it comes to human rights. You always need to do more, so I would say this is not a satisfactory step, but it is a positive step, it is a first step. Five years ago human rights was not on the agenda at all in ASEAN. It is on the agenda now with a new commission. I think it is a good step, and we will be supportive. The President invited all human rights commissioners to come in the United States next year. It is like so many other things in developing regional organizations. We start with one step and then we build from there. Without saying that it meets all of our ambitious goals, it is important and a positive step.

Let me just say a word or two about Burma before I close. Many of you know that Secretary Clinton announced early this year that we would do a review of our policy toward Burma, because the policy we had been following had not worked. The second part of what she said does not get as much echo as it should. She said that the ASEAN policy of engagement also has not worked. So we have to try something new, a different approach. We did an extensive review and came up with an approach. It is not a revolutionary shift but rather adds some tools to our diplomatic arsenal, including an effort at direct dialogue between the United States and Burmese officials. We did the first round in New York and then Kurt Campbell, my boss, and I went to Burma a month ago and spent a couple of days there meeting with officials. It was tough. The reason was that not much progress had taken place there in 20 years. We did not expect it to be easy. I think the jury is still out as to whether we will achieve progress. There is much happy talk in the region about this. People are saying, "There is great progress. The Americans and the Burmese are talking." It is perhaps useful that we are talking, but that is not progress. Progress will come when there is change on the ground in Burma. So far there has been none. I just want to highlight that it is important to be careful and scrupulous in our analysis of the situation and not confuse process with progress. We certainly hope that there will be

progress, as Kurt Campbell said several times in public. We knew that the going would be difficult. In the end, the question is whether there will be some moves out of Burma. It will be very important that our ASEAN colleagues work with us to encourage some steps. Even some small steps can be a start.

To sum up, the United States wants member-countries to be successful in building the ASEAN Community. This is in our interest and works to our advantage, too. An ASEAN with strong political, economic and cultural bonds among its members will mean a more prosperous and more stable partner for the United States. We will demonstrate our commitment to ASEAN's success through increased and more intensive interaction at all levels, and by working together to confront the very real challenges in this region and the larger world community.