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US-Southeast Asia Ties: Reality Is More Complex

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SYNOPSIS

*Despite reports that the United States is “haemorrhaging influence” in Southeast Asia, the situation on the ground is more nuanced. **KEVIN CHEN XIAN AN** explains how it is important to consider the agency of regional governments, the limitations of Washington’s influence in the region, and what the region wants from US engagement.*

COMMENTARY

From security to economics, the United States has been a key partner of Southeast Asia for decades. However, reports have alleged that US influence in the region might be waning.

The Lowy Institute’s [Asia Power Snapshot 2022](#) reported that the United States has lost influence to China in Southeast Asia, defined in terms of economic relationships, defence networks, diplomatic influence, and cultural influence. Similarly, the [State of Southeast Asia: 2023](#) Survey Report by the ISEAS-Yusof Ishak Institute continued to identify China as the most influential economic and political-strategic power in Southeast Asia. Some articles have used these observations to issue ominous warnings about the United States “[haemorrhaging influence](#)” in Southeast Asia, or that its influence is “[falling off a cliff](#)”.

Yet, the reality of US influence in Southeast Asia is more complex. It is important to consider the agency of regional governments, the limitations of Washington’s influence in the region, and what the region wants from US engagement. The survey

reports are useful in identifying long-term trends, but there is more to the full picture than meets the eye.

Agency at the Core

It is undeniable that the United States has lost influence to China in Southeast Asia, especially in trade. Bilateral China-ASEAN [trade](#) reached US\$669.2 billion in 2021, while the United States trailed at US\$364.5 billion. Yet, even as regional governments deepen ties with Beijing, they also seek to maintain a diverse network of partners to avoid over-dependence. This gives Washington opportunities to expand its influence.

Indonesia, for example, maintains a hedging approach that focuses on maximising benefits and mitigating risks. In the area of investments, Jakarta has [courted](#) China for its multibillion-dollar capital relocation project and for the [development](#) of its nickel industry. Yet, Jakarta has also welcomed US support for its infrastructure needs, from the US\$20 billion Just Energy Transition Partnership (JETP) to the US\$600 billion Partnership for Global Infrastructure and Investment (PGII).

Adjustments to a country's approach can also occur when circumstances change. In the Philippines, the Duterte Administration initially pursued closer ties with Beijing, but this courtship waned after 2020, [spurred](#) by Beijing's failure to deliver investments and concerns about the Philippines' [security vulnerabilities](#) in the South China Sea. Under President Ferdinand Marcos Jr, the [expansion](#) of the Enhanced Defence Cooperation Agreement (EDCA) that allowed US troops rotational access to four more Philippine bases recognises these vulnerabilities.

Beijing's missteps benefit Washington's ties to the region to an extent. Still, even under less tense circumstances, Southeast Asian countries would likely continue to maintain diverse networks to maximise their benefits. Indeed, the key point is that Southeast Asian countries retain the agency to choose ties based on their needs.

The Limits of Engagement

However, it bears repeating that Southeast Asian countries [do not want](#) to decisively choose between China and the United States. [Offers](#) to facilitate mediatory dialogues underscore their wish for amicable ties between the superpowers. As the US-China rivalry deepens, Southeast Asia will likely respond warily towards emerging developments, lest they become entangled in a situation that forces them to take sides. US initiatives may receive a lukewarm reception if the geopolitical motives behind them are too obvious.

Country-level factors such as domestic politics can also limit Washington's influence. While President Marcos Jr agreed to the expansion of EDCA, [a coalition](#) of governors, anti-war civil society groups, and pro-Beijing businessmen have gathered to resist its implementation. Likewise, US-Indonesia ties were disrupted by developments in the Middle East, such as when Washington [recognised](#) Jerusalem as Israel's capital in 2017. Regardless of their political orientation or beliefs, these domestic interest groups remind us of the complexity and vibrancy of Southeast Asia's political scene. The United States will have to address the misgivings of these domestic groups when engaging the region.

The pace at which bilateral ties develop is another consideration. While US-Vietnam ties developed rapidly over the past decade, unaddressed ideological concerns and mistrust culminated in a diplomatic chill in 2022. Inherently, stable ties cannot be built overnight. They must be nurtured on a foundation of trust, and, even then, can be subject to domestic whims and broader strategic concerns.

What Can Washington Do?

Between these lower and upper limits, Southeast Asian countries would prefer to be engaged on their merits and not as chess pieces. Washington ostensibly understands this concern, with the [2022 National Security Strategy](#) stating that Washington will “avoid the temptation to see the world solely through the prism of strategic competition”. Nonetheless, there are other steps that Washington should take to build its relationships and influence.

Pragmatically, Southeast Asian countries want Washington to offer support for their respective developmental needs. In Vietnam, [addressing war legacies](#) is a key relationship pillar, including the removal of explosives and cancer-causing dioxins. Indonesia and the Philippines, which face challenging energy transitions, value cooperation with the United States on [nuclear energy](#). These cooperative efforts will help to build mutual trust and relationships at multiple levels, from grassroots to governments.

More broadly, Washington should articulate a viable economic strategy for the region. An oft-repeated concern is that the United States’ withdrawal from the Trans-Pacific Partnership (TPP) in 2017 left Washington without a coherent trade policy, leading it to over-emphasise security issues. The Indo-Pacific Economic Framework for Prosperity (IPEF) is supposed to address this vacuum by creating new “[rules of the road](#)”, but there is still [confusion over what it is](#). Concrete deliverables will be needed to convince members of IPEF’s value.



The United States has allegedly lost some influence to China over Southeast Asia, especially in trade. One of the ways Washington can strengthen ties with Southeast Asia would be to articulate a concrete economic strategy for the region through collaborations such as the Indo-Pacific Economic Framework (IPEF).

Image from Wikimedia Commons.

Above all, Washington should recognise that Southeast Asia does not practise diplomatic monogamy. Regional governments want to be flexible and engage partners based on their needs. As the survey reports suggest, these calculations may favour China's economic largesse, but Washington is far from falling off a cliff. Washington's influence in the region may be diminished but remains significant. It needs to play its cards right, building trust and reaffirming its intentions without forcing countries to choose between the eagle and the dragon.

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