

U.S., Japan and Australia CT Assistance to ASEAN

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The focus of this conference is the ongoing terrorist threat in Southeast Asia and the kinds of assistance the U.S., Japan and Australia are providing to the countries of that region to address it. This is a timely and important issue, but it is far from a simple one. In this paper I will try to lay out some of the complexities that make the various offers of assistance, their acceptance and their utilization a challenge for all concerned.

The terrorist threat in this region is very real indeed. Jemaah Islamiya, Laskar Jihad, and the Abu Sayyaf Group are hard-core terrorist organizations based in Southeast Asia. Al Qaeda has long had operatives in the region, some of whom had important roles in the planning and execution of the 9/11 attacks. Recent reports that JI fugitive Noordin Mat Top has proclaimed himself leader of a new group called the Organization for the Basis of Jihad are also troubling. Despite the peace, prosperity and open outlook of these societies, the presence of terrorists, either residing permanently or just passing through, haunts governments and unsettles markets.

Members of international terrorist networks are drawn to the region's booming economies, well-developed air links and excellent infrastructure for material support; at the same time, the Islamic and Islamic-friendly cultures of Indonesia, Malaysia, Thailand and the Philippines allow foreigners of all types to move about freely. Despite the conveniences offered by Bangkok, Kuala Lumpur and Singapore for meetings, financial services and R&R, the region has not been spared terror attacks, especially Indonesia, which has suffered repeatedly. Given the presence of these operatives on the ground, future attacks are always a possibility.

It was for these reasons, and especially the revelation of al Qaeda's activities here during the planning stages of the 9/11 attacks, that the U.S. government termed Southeast Asia the "second front" in the war against terror. Indeed, what the Bush Administration called the Global War on Terror (GWOT), launched after 9/11, transformed the U.S. relationships with the countries of Southeast Asia, and with its principal political community, ASEAN.

For most of the world, the key concern is the straits of Malacca, where a huge portion of the world's seaborne trade transits. The straits and adjacent waters already teem with pirates, a plague the local governments have proved unable to wipe out. A successful terrorist attack that closed the straits for any length of time would have a devastating effect on the global economy. The nightmare scenario that haunts most analysts is the bombing of a super tanker filled with liquefied natural gas inside Singapore harbor. Anything of this nature would likely close the straits for an indefinite period, causing incalculable losses around the world. There is no indication that indigenous terrorist groups have the capability to carry out such a spectacular attack, but outsiders might well be able to; just knowing that it could be done sends shivers down most of our backs.

The governments of the countries in Southeast Asia recognize the challenge that confronts them, but by and large they have been unable to apply the resources needed to root out terrorist networks, protect their own countries and secure the straits. Most importantly, they have made only halting efforts so far to coordinate and cooperate among themselves, to share sensitive information in a timely manner and work jointly on the high seas. Since 9/11 the U.S., Japan and Australia have all stepped forward to offer CT assistance to these countries, out of concern for the well-being of the region, certainly, but also out of hard-headed self-interest. And, paradoxically, each of them has had an uphill battle getting the countries involved to accept the assistance in the spirit in which it was offered.

The U.S. has had the toughest time of it. In the decade before the Bush Administration came into office, U.S. assistance levels had fallen steeply in most countries of the region, often for very good reasons. With the Congress simultaneously squeezing aid budgets and inserting earmarks that constrained planning, successive administrations were obliged to make hard choices between the abject poverty of regions like Africa and the growing aspirations of rapidly developing countries in Asia. Thus in Malaysia and Thailand, for example, bilateral assistance had been phased out in favor of flourishing trade and investment ties; the USAID mission in Thailand closed in the mid-1990s, at a time when Washington judged its friend and ally could safely “graduate” from receiving development aid.

Almost immediately thereafter, the financial crisis of 1997-1998 took place. The Clinton Administration’s response to that crisis, which emphasized working through the IMF rather than making bilateral donations, made the U.S. look churlish in comparison to donors like Japan and even China. The fact that the U.S. contributes roughly a quarter of all funding for the IMF and considers it a primary instrument for meeting financial challenges of this nature, while true, was not widely known, and Washington failed to make this point effectively to anxious publics. Malaysian Prime Minister Mahathir went so far as to claim the U.S. had engineered the financial crisis in order to keep the “little dragons” down, and people were ready to believe it. In Thailand, especially, resentment was widespread among government officials and the public, and those feelings were still around in 2001. Even in countries like Indonesia and the Philippines, which continued to benefit from large American developmental aid programs, many people believed the U.S. was not living up to its obligations.

The inception of the GWOT got the U.S. back into the assistance game in Southeast Asia on a broad scale, but with a shift of emphasis to counter-terrorist programs. Fresh sources of funding were identified for a wide range of programs addressing pieces of the terrorist puzzle. CT assistance programs were carefully tailored for

each country, but usually consisted of some combination of police training, judicial assistance and enhanced military cooperation. Bilateral information sharing was greatly stepped up, and the U.S. actively sought greater dialog with the various governments on law enforcement matters. We also sought diplomatic cooperation, urging all countries to sign the 13 United Nations conventions or protocols on terrorism, and freezing financial assets of terrorist organizations. Nevertheless, these worthy efforts were frequently perceived as manifestations of U.S. self-interest alone. Public opinion in the region did not acknowledge any threat from indigenous groups, though that changed, sadly, with the discovery of the extensive multi-state organization of Jemaah Islamiyah and the Bali bombings in 2002.

There was a further complication. While there was widespread shock and sympathy for the losses sustained in New York, Washington and Pennsylvania on 9/11, Muslim publics and governments in Malaysia and Indonesia quickly turned against the U.S. after the invasion of Afghanistan. While the U.S. press emphasized the strategic importance of defeating the Taliban, news media throughout Southeast Asia focused on the plight of innocent civilians killed or maimed in the conflict. President Bush's famous warning - "You're either with us or against us" - was often taken as a declaration of war against Islam itself. The overwhelming military might of the U.S. caused many to fear for their own lives, as rumors of U.S. plans to invade Southeast Asia circulated wildly.

All these perceptions grew exponentially worse in late 2002 as the administration's intent to invade Iraq became evident. Anti-American sentiment soared throughout the region, making it very difficult for local governments to work openly with us. At the same time, the U.S. visa process suddenly bogged down, as security checks in Washington created massive and lengthy delays in approvals. Our core constituency in many countries - those who wanted to visit the U.S. or send their children to study here - became alienated. Muslim individuals in Malaysia and Indonesia, dreading the embarrassment of submitting to increased security checks at ports of entry in the U.S., deferred non-essential travel to our country.

As time went on, governments became less willing to accept American counter terrorism assistance; at a minimum they developed a strong desire to camouflage the aid. A perception grew that the only thing the U.S. cared about in Southeast Asia was counter terrorism, which further increased resistance. A few examples from my own time in Malaysia will illustrate this. In 2002 the U.S. proposed the establishment of a joint U.S.-Malaysian counter-terrorism center, similar to the U.S.-Thai International Law Enforcement Academy (ILEA) in Bangkok, to train police and judicial officials from around the region in areas such as countering terrorist financial flows and enhancing CT information exchange. The Malaysian Government agreed to set up the center, but declined to do so as our partner. The resulting Southeast Asia Regional Center for Counter Terrorism is a wholly Malaysian entity, which receives assistance from the U.S. and others to carry out its work but does not enjoy the close bilateral cooperation of an ILEA. It is fair to say the arms-length nature of our bilateral cooperation on this makes it a good deal more difficult for us to help, and our help is probably less effective than it could be.

Another example: In June 2003 the Malaysian Navy took part in our annual CARAT exercise, as it had done for many years previously. That year, however, the authorities in Kuantan, on the east coast where the exercises took place, allowed no local or national press coverage of the events, our sailors were denied shore leave due to local sensitivities, and the U.S. Navy's offer to engage in humanitarian assistance projects on Malaysian soil was declined.

In the past three years the U.S. State Department and our military's Pacific Command have been very focused on the problem of maritime security in the Straits of Malacca, and have proposed a regional initiative to bring together government and military leaders from Indonesia, Malaysia and Singapore to address it. While the Singapore government has responded positively, the others have been more reluctant. A proposal last year to begin joint patrols of the Straits under the auspices of the ASEAN Regional Forum was

roundly defeated. More recently, the three littoral states announced plans to conduct joint air and sea patrols, and officials have said they would seek help from the U.S. and others to contribute equipment and expertise to strengthen air patrols. But Malaysia and Indonesia have ruled out any direct foreign “intervention,” i.e., military exercises or training, saying that other countries must respect their territorial sovereignty. This is frustrating for U.S. planners interested in helping build the most robust counter terrorist cooperation possible. Admiral Fallon, commander of the U.S. Pacific Command, visited the region last month and promised he would do anything he could to help combat piracy and terrorism – anything the countries concerned would agree to, that is.

Australia has also encountered difficulty forging serious CT partnerships in the region. To some degree Canberra has been tarred by its close treaty alliance with the U.S., its strong support for the war on terror and the Howard government’s willingness to send troops to the coalition effort in Iraq. The unfortunate sobriquet of “deputy sheriff,” drawn from a 1999 comment by John Howard (and later retracted), gave Mahathir and others ample cause to criticize Australian efforts in the region. (President Bush, responding to a reporter, made the situation worse when he jokingly called Australia America’s “sheriff” for East Asia. It is safe to say most Asians did not get the joke!) Then came the 2002 Bali bombings, in which 88 Australians were killed, a disaster often called “Australia’s 9/11.” Shortly thereafter, Prime Minister Howard stated that he would not hesitate to order a preemptive strike in another country against terrorists preparing an attack against Australia. This added further fuel to conspiracy theories around the region.

Australia, of course, has a rather different take on Southeast Asia than the U.S. While Washington sees it as a crossroads for maritime trade and a growing if distant economic market, Canberra views it as its own back yard. Geographically if not culturally, Australia is very much a part of the region, and it has been deeply engaged there for many years. Official Australian government documents reveal that in 2005, 57% of Australia’s merchandise exports went to East Asia,

and 49% of its imports came from there; trade with the nations of ASEAN represented 36% of the imports and 5% of the exports. Australia also has long-standing and generous aid programs for the countries of Southeast Asia and the Pacific islands.

Like the United States, Australia is a long-time dialogue partner of ASEAN and a founding member of the ASEAN Regional Forum. But it has gone a step farther by agreeing to sign the Treaty of Amity and Cooperation with ASEAN, a move that earned it the right to attend the first meeting of the East Asia Summit last December. It's a little early to say whether the EAS will develop into an important or influential forum, but it already has regional significance as the first Asia-wide political grouping that does not include the U.S. It has been suggested that Australia is expected to act as a sort of proxy for the U.S. within the EAS, but there is little evidence of this so far. Australia has its own reasons for engaging with the group, and the U.S., having practiced a form of studied indifference to it, has not apparently sought an "in" of any sort.

Australian foreign policy has not always been well received in Southeast Asia. Its strong commitment to helping the Pacific states, particularly Papua New Guinea, may have been one of the factors motivating it to intervene in the East Timor crisis of 1999. Foreign Minister Downer has acknowledged that Australia's role in leading the INTERFET mission, which restored order after the violence resulting from the independence referendum, was "very controversial." This had a markedly negative impact on Australia's relations with Indonesia, in the short term at least, and undoubtedly complicated the counter terrorism cooperation between the two countries after the Bali bombings. But Canberra's persistence in helping Jakarta track down the terrorist perpetrators, its embrace of the new Yudhoyono government, and its generous assistance to tsunami survivors have contributed to more comfortable dealings over time.

Foreign Minister Downer has described the close relations between the U.S. and Australia as an asset Australia brings to the Asian

region, rather as if Australia can interpret Asian reality to the hulking superpower more effectively than the Asians themselves can. It's not clear that Asian governments buy that argument, and as American popularity has sunk its Aussie allies have been dragged down as well. Despite its many interests in and contributions to the region, Australia remains a bit of an outsider in Southeast Asian eyes, and it will likely remain so for the foreseeable future.

The third major partner for Southeast Asia is, of course, Japan. No one questions that Japan is part of Asia, and it has been constructively engaged throughout the region far longer and more intensively than any other single country. Japanese assistance programs are legendary, their businessmen occupy prominent positions in every capital and they have a highly developed "feel" for what will work well in this region. I vividly remember, for example, watching small, inexpensive Japanese tractors supplant water buffaloes in the rice paddies of northern Thailand in the 1970s. American exports – our massive John Deere tractors – could not break into this market because of their cost, but Japanese products were just right, and they were quietly transforming the landscape.

Japan has long been deeply engaged at the political level as well. It interacts intensively with ASEAN as a dialog partner and signatory of the Treaty of Amity and Commerce. As a member of the "ASEAN Plus Three," its leaders engage at the ministerial and prime ministerial level with the leaders of ASEAN, China and Korea on a regular basis. In the wake of the 1997 financial crisis, Japan proposed the creation of an Asian Monetary Fund, an idea that was quashed by the U.S. Discussions continued, however, among the ASEAN +3 finance ministers leading to the development of a regional financial cooperation network known as the Chiang Mai Initiative. It features a series of bilateral currency swap arrangements, as well as economic monitoring and training; Japan remains heavily involved in it.

Japan maintains extensive assistance programs throughout Southeast Asia, emphasizing infrastructure building, human resources development and institutional support. It also provides important

capacity building assistance to combat terrorism in areas such as immigration control, aviation security, port security, customs cooperation, export controls and law enforcement. Japan is a leader in fighting money laundering and helping countries block terrorist financing flows. She provides this assistance bilaterally as well as through the ASEAN+3, ARF, APEC, the G-8 and OECD.

Of the three powers we are discussing, Japan probably has had the least difficulty in creating receptivity to its assistance. This is, *inter alia*, because of its large investment presence in the region, its willingness to assist all members of ASEAN (including Myanmar) and its ability to tailor proposals to meet the needs and sensitivities of the recipients. Nevertheless, Japan still encounters problems from time to time. Memories of the hardships and atrocities of World War II are still alive in Southeast Asia, and Japan's offers of friendship are occasionally viewed with a gimlet eye. As China ramps up its considerable engagement in the region, with rapidly growing trade, tourism and economic assistance, Japan will need to reaffirm its *bona fides* constantly. It remains to be seen how the emerging Sino-Japanese rivalry will play out in this regard, but the countries of ASEAN could benefit handsomely in the short term, at least.

The bottom line for all three donors is simple. The U.S., Australia and Japan have a lot to offer the nations of Southeast Asia in confronting a terrorist threat that is part of a global network and has the potential to do immeasurable harm in this region. In the 39 years of ASEAN's existence, its proud member states have made great strides, improving their people's standards of living, becoming hugely successful traders in the international market and gaining influence in international fora. But counter terrorism is one area where much more could be done.

For all their history, and for all their shortcomings, the U.S., Japan and Australia genuinely seek to enhance the security of their friends in Southeast Asia, to meet our common interest of deterring terrorists. I hope that we will all be able to build on the groundwork

that has already been laid and forge new partnerships in this critically important area.