Conclusions:

The United States' response to international terrorism after the attacks of 11 September 2001 is accepted as inevitable by most Southeast Asia countries, probably necessary, but not of vital strategic significance to Southeast Asia.

Increased American engagement and expenditure are generally welcomed but are not seen as immediately positive or negative for regional security.

Southeast Asians are most concerned with the region's long-term stability. Specific worries are Indonesia's management of domestic instability and future role in the region, political Islam, September 11's impact on state-society relations, and the development of a true community of Southeast Asian nations.

Other large states with a sub-regional reach (China, Japan and India) are important mainly to the extent that they affect economic activity and ensure prosperity.

Southeast Asia is generally stable. The events of September 11, 2001 did not alter geo-political relations within the region, or between the region and external powers, and have done little more than highlight issues (such as structural reform or political Islam) that were just as important although less discussed before then.
Terrorism from Southeast Asia's Perspective

The terrorist attacks of September 11, 2001 on the World Trade Center and the Pentagon were for many in the United States the defining moment of the post-Cold War world. The world was suddenly less safe. The United States (indeed all democracies) had an enemy, and that enemy could be anywhere and everywhere. This meant that nowhere was safe from terrorist attack and that every country should (in the U.S. world view) do whatever was necessary to counter international terrorism. The U.S. would (again, in the U.S. world view) take the lead in the war on international terrorism, but all states were expected to participate to the extent that they were able, either overtly or covertly as their domestic circumstances allowed.

America's present preoccupation with terrorism and its consequent strategic prescription is not necessarily shared in Southeast Asia. For many Association of Southeast Asian Nations (ASEAN) countries, terrorism is a continuing low-level threat that must be managed, but is not the defining (nor even the most significant) security issue. ASEAN states appreciate the U.S. domestic and emotional impacts of terror, and are prepared to assist the United States in the war on terrorism, but they are agnostic as to its present strategic necessity and skeptical as to its ultimate effectiveness.

Government criticism of U.S. counter-terrorist activities from some countries is not reflexive anti-Americanism. It is, instead, a formal and rhetorical measure aimed at domestic and international Islamic audiences. In practice, few significant anti-American demonstrations or statements are allowed in any of the countries in the region. Nor is there evidence of deep, widespread anti-Americanism amongst Southeast Asian publics.

For Southeast Asia the long-term effects of the 1997 financial crisis, which continues to set the agenda for structural reform, are of more importance than the events of September 2001. In this region the broad security themes of continuing importance are ones that have endured for the whole of the post-Cold War period. They are: national and sub-regional stability; the sub-regional role of the major powers; and economic growth and social development.

National and Sub-regional Stability

Southeast Asia, despite grinding poverty in some areas and rampant corruption in many areas of national governments, is more or less stable. The events of September 11, 2001 did not alter geo-political relations within the region or between the region and external powers and thus have done little more than highlight issues (such as structural reform or political Islam) that were just as important although less discussed before then.

Outstanding bilateral issues are by-and-large either resolved amicably through agreed processes or shelved until a way forward, acceptable to both sides, can be developed. ASEAN's aim of developing a viable and integrated economic community is supported by all as a means of ensuring continued regional security, although there are worries that the process is not proceeding quickly enough. As well as a range of general issues (such as piracy, illegal migration and drug-trafficking), four stand out as being of current importance: Indonesia's management of domestic instability and future role in the region; political Islam; September 11's impact on state-society relations; and the development of a true community of Southeast Asian nations.

Indonesia's Domestic Stability and Regional Role

For ASEAN's first 30 years Indonesia was the organization's driving force. ASEAN was successful because Indonesia wanted it to work and played a leadership role in the organization. Indonesia was able to do this because of the stability that President Soeharto's authoritarian rule brought to the country. Since Soeharto's demise, the country's fissiparous tendencies have become more prominent and the armed forces are more constrained in their responses to activities likely to lead to instability. This, of course, is a mixed blessing. On one hand the more brutal manifestations of the Soeharto regime are not so evident, on the other there is more room for violent communal activity.

Indonesia's ASEAN neighbors want the country to be able to demonstrate leadership within ASEAN and want the country's leaders to show a sense of purpose in dealing with its various separatist movements and economic problems. Few analysts in the region can see how this will happen. They point to a lack of both political and military leadership, and to a lack of any sense of purpose for the country. As well, there are indications that the armed forces will attempt to reassert their previously dominant role over most aspects of Indonesia's political and economic life. If that happens and there is a struggle between the armed forces and the civilian government or between the armed forces and civil society generally, instability can only increase.

Increased Indonesian instability could lead to an increase in the activities of militant Islamic groups and would make difficult the task of police authorities in tracking down those engaged in terrorism or aiding terrorist groups.

In the view of most Southeast Asians, Indonesia is unstable and will remain so for some time. However, most expect it to muddle through rather than fall into chaos. While not catastrophic for the region, this will mean that Indonesia will be a continuing source of instability and, more importantly for the region, will be unable to give the support and direction to ASEAN initiatives that it previously has.

Political Islam

Southeast Asians do not regard Islam as inherently predisposed to terrorism. Muslim citizens and values are the social cornerstone for several regional countries, and Muslims form large minorities in others. The range of Islamic practices and values is such that generalizations about Islam as either a benign or malign influence make little sense. It seems as though any brand of Islam ismical to the west in general, or to the United States in particular, is a minority in this region. Despite that, there are elements within the region supportive of the activities of international Islamic terrorist groups and prepared to make that support overt.

Political Islam is an issue for those countries with significant Muslim communities, but not an unmanageable one. No national leadership has any plan for, or intention of, allowing any radical Islamic group to achieve significant political representation.

At the regional level, the countries are beginning to work together to share intelligence on terrorist activity and on the links between terrorism and radical Islam. Indonesia and Malaysia are the two countries commonly cited as being susceptible to being 'taken over' by Islamic groups. Few regional experts expect this
to occur. As well, the Philippines has a Muslim-based insurgency and, by some reports, Muslim radicals are trained in Cambodia’s madrasahs. Singapore has recently been surprised by the presence of a domestic Muslim group apparently intent on attacking foreign targets in that country. In none of these countries is radical Islam a significant link in any chain of international terrorist activities, although individuals and small groups are capable of terrorist activity.

Both Indonesia and Malaysia will be able to accommodate political Islam, but each will do it differently. In Indonesia Islam is generally worn loosely and comfortably. Overtly Islamic parties did not do well in the most recent elections. Despite periodic clashes between Christian and Muslim communities in different parts of the country, there is little likelihood that a general conflict will occur. The clashes that have occurred have had more to do with particular inter-communal grievances than with any general religious discord. Indonesian Islam does not seem likely to develop a radical bent, although there are undoubtedly Islamic radicals within the Muslim community. Indonesian policymakers claim that these radicals are a small number in a large country, that there is little hard evidence (despite assertions by foreign officials) against particular suspects, and that without proper evidence there is little the authorities can do. This is especially so because wide-ranging internal security laws were repealed at the end of the Soeharto era.

The Malaysian government has taken the 2001 terrorist attacks as an opportunity to assert the predominance of its preferred brand of 'moderate' Islam over the more overtly 'religious' approaches preferred by Islamic opposition political parties. Although parts of Malaysia are deeply religious, that religiosity is unlikely to be allowed to become a threat to order or stability either within the country or against the United States. Any criticism of the United States will come only from the senior political leadership, and that criticism is designed to assuage domestic opinion rather than present a serious denunciation of U.S. counter-terrorism policies or activities. Indeed, U.S.-Malaysia relations are cooperative in numerous areas.

Islam in the Philippines has been a source of separatist insurgency for decades, and the Philippines government and armed forces have managed it more or less (mostly less) successfully over that time. The Islamic separatist groups do not pose any threat to the stability of the Philippines regime and are not likely to be successful in their efforts to secede. The Arroyo government has sought and gained U.S. support to fight a small and particularly brutal, but only superficially Islamic, group - the Abu Sayyaf - which in any case invited U.S. intervention by taking American citizens as hostages. So far, the United States and Philippines have shared a mutual interest in their cooperative activities against the Abu Sayyaf.

Cambodia has a Muslim minority which, according to some official analysts within the region, supports the wider radical Islamic agenda of using terrorist tactics to attack Western interests. There is little public evidence of this, but if it is established as being the case, Cambodia will have to take prompt action to control the madrasahs and their teaching.

Close state supervision over activities of the Muslim community to mitigate radical teaching is no guarantee, however, that radical Islam will be suppressed. Singapore, which closely oversees religious processes, has not been immune to the development of radical Islam. In December 2001 a group of 13 Singaporeans with links to al-Qaeda and plans to attack the U.S. embassy were arrested. Officials were shocked that in a country with such material prosperity a group of citizens could plan such action. Although there is no indication that the local Muslim community supports terrorist activity of any kind, the arrests demonstrated to the region that terrorist activities may be developed in many environments, rich or poor, more or less open.

September 11's Impact on State-Society Relations

The events of September 11 appear to have had a particularly strong impact on Southeast Asian countries' efforts to manage ethnic, religious and other forms of diversity, and create viable national identities and state institutions. Indeed, in the view of some Southeast Asians, the impact on relations between states and societies overshadows any geopolitical or inter-state impacts of the terrorist attacks and the U.S. response to them.

The crucial issue of managing political Islam has been addressed. But, in addition, Southeast Asians pointed to the likely pause in progress toward more open societies, democratization and protection of human rights as state authorities seek to ensure that terrorism will not take hold. Some regional states also worry that the brittle balances among ethnic and religious groups will be exacerbated by suspicions between Muslim and non-Muslim communities. A related effect has been the muting of civil society. There is reportedly also a discernible revival of internal security concerns, including the re-focusing of military and other security forces inward. In essence, the role of the state in much of Southeast Asia has been strengthened because it is the first line of response to handling possible terrorism threats domestically. Consequently, states have become even more dominant over societies in the region.

These trends compound existing problems of ineffective laws, inefficient administration, political interference and corruption. Governance problems are thus at the forefront of Southeast Asia's concerns in the aftermath of the September 11 events. The United States needs to continue to appreciate the primarily domestic lens through which Southeast Asian countries view the events of the last several months. These intensely national perspectives, rather than a perception of global terrorism, will drive and shape regional responses to U.S. counter-terrorism efforts.

Major Powers in the Region

There are only four states that can play a strategic role in Southeast Asia: the United States; China; Japan; and India. Southeast Asia is primarily interested in the major powers (and indeed other countries) to the extent that they contribute to, or threaten, Southeast Asia's well-being or security. None of the powers are seen as a threat to Southeast Asia. Otherwise, Southeast Asia generally does not want to have to take sides between the United States and China as part of any strategic competition between those two countries.

The United States

For the whole of the post-Cold War period the United States has been seen as the regional guarantor of security and the region wants that to continue. This is so even in countries such as Vietnam, which fought against the United States in the 1960s and 1970s, as well as the Philippines, which did not renew U.S. base leases in the early 1990s. It is especially so in Singapore, which has granted significant naval facilities to the United States.

It is likely that Southeast Asian states will attempt to exploit the United States' interest in countering terrorism. There will be 'bidding' for more U.S. interest and expenditure in the subregion using the war against terrorism as the hook. U.S. regional activities will be used in local politics to strengthen the hand of incumbent governments or coalesce opposition to them, 'sign-up' U.S. support for solving domestic insurgency problems, and gain economic and other benefits for special interests within these countries.
China

China is a constant in sub-regional strategic calculations. China's economic and military rise is accepted as inevitable and is seen as an opportunity more than a threat, although countries such as Vietnam and the Philippines have concerns over China's ambitions in the South China Sea. Southeast Asian states are well aware that China's attractiveness as an investment destination potentially makes it both a source of profit and a drain on investment into Southeast Asia. Trade between ASEAN and China has grown seven-fold. Over the next 10 years the proposed free trade arrangement will increase trade volumes between ASEAN and China.

China seems to consider Southeast Asia as important. This is reflected in the rising quality of China's diplomatic representation in the region. Southeast Asian states welcome this, but are also pleased that China is pre-occupied by the U.S. presence in Central Asia. Southeast Asia wants to be in China's vision, but not in its direct or exclusive gaze. China's acceptance of multilateral approaches to regional issues and willingness to negotiate a code of conduct for the South China Sea are generally welcomed.

Japan

Japan is generally (although not universally) disregarded as a force in Southeast Asia, certainly in the near-term. Its continued economic weakness and reluctance to deploy military strength to support international security initiatives are noted as indicating that the country has little to offer (or threaten) the sub-region.

Despite this, Japan is still the region's largest economy and as such will continue to play a large role in Southeast Asia's economic well-being. Japan's alliance with the United States is also considered beneficial for the region. In the future Japan is likely to continue to expand its military role in ways that help Southeast Asia, for example through continuing to exercise with regional navies and perhaps contributing to anti-piracy patrols in areas such as the Straits of Malacca. Increased Japanese military activity is not a significant concern for Southeast Asia.

India

Southeast Asians note that India has invested some effort in its 'look east' policy in an attempt to engage with East Asia. Southeast Asian states understand that India is attempting to redress its failed strategic partnership with the Soviet Union. Most analysts concede that India will not be a major player in Southeast Asia until it puts its own house in order and stabilizes its relationship with Pakistan.

Indian naval activities, such as the recent naval patrols through the Straits of Malacca and into the South China Sea, are regarded as having both positive and potentially negative effects. On the positive side, naval patrols in the Straits of Malacca and similar regional waters could help curb piracy, and the region will be a safer place. On the negative, Indian deployments into the South China Sea could lead to increased tensions between India and China as the deployments conflict with China's regional naval ambitions. As such, the deployments could lead to increased tension within the sub-region generally and perhaps a need (which no state will want) to take sides.

Southeast Asia generally welcomes increased Indian naval and diplomatic activity so long as it does not conflict with China.

Implications for the United States

Because the states of Southeast Asia are secure and neither threatened by international terrorism nor a contributor to it, the United States needs to ensure that its own preoccupations with terrorism do not distort its relations with the region. There are different policy implications inherent in approaches that emphasize terrorism as opposed to approaches that emphasize, for example, democracy or governance. A focus on the latter kinds of issues is more likely to be of long-term benefit to the United States. Current US strategies that demonstrate the United States' long-term commitment to the region, integrate foreign, aid and defense policy initiatives and emphasize a measured response to regional events, would support such a focus. These strategies are of long-standing and have been reinforced since the terrorist attacks of September 11, 2001.

There are no significant difficulties for the region in having an increased U.S. presence; indeed it is generally welcomed. The region is, however, one that places some store on consultation and inclusiveness. U.S. policy approaches need to consider this when specific policy proposals are developed. Multilateral approaches that have been discussed with regional leaders rather than unilateral initiatives are more likely to be acceptable. The overall aim for the United States should be to hold the current coalition together, but to hold it loosely.

U.S. policy should be directed toward working where it can to achieve stability. This must include advice and assistance to achieve good governance and disciplined markets. There is little to be gained and perhaps something to be lost by demanding, for example, that countries open their doors to U.S. investigators or troops searching for al-Qaeda members. Better would be behind-the-scenes intelligence sharing and advice on processes.

The region is one of opportunities for the United States as much as it is one of threats. The opportunities relate to the way the region can develop and mature as a grouping of democratic states and open markets. The threat is that national and regional instability will provide a breeding ground for individuals and groups who wish to destroy their own societies and damage the United States in the process. The United States should seize the opportunities while being aware of the threats, rather than focusing on the threats to the exclusion of the opportunities.