

The United States and Southeast Asia: Change and Continuity in American Hegemony

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The United States has been the most powerful country in the world since the Second World War. In the wake of September 11, at a time when the US has an unrivalled ability to project power in any part of the globe, this may seem like a remarkably anodyne observation. Yet it is important to remember that for much of the post-war period the Soviet Union was a formidable adversary that constrained American influence and provided an alternative vision of the way the world might be ordered. We now know, of course, that the Soviet system was incapable of supporting either its military pretensions or the aspirations of much of its citizenry, but this should not blind us to the fact that for many years ideological rivalry and super-power confrontation were the seemingly immutable realities of the post-war order. In the wake of the Soviet Union's disintegration, and despite periodic concerns about the performance of the US's own economy, America has emerged as the sole-superpower and the cornerstone of what is routinely depicted as a unipolar inter-state system (Wohlforth 1999).

Over the last 50 years or so, therefore, American power has waxed, waned and waxed again. This is interesting enough in itself, but from the perspective of Southeast Asia it is especially important because the changing nature of America's global ambitions and its capacity to achieve them has coincided with a critical phase of nation-building and economic development across Southeast Asia. The intention of this chapter is to examine the impact that the US has had on Southeast Asia's historical development, both during the Cold War period when the emergent states of the region attempted to consolidate and assert their independence, and more recently, when the combined effects of economic fragility and the emergence of new strategic challenges have provided a painful reminder of just how susceptible the region remains to powerful external forces over which it has limited influence (Beeson 2002).

To understand why Southeast Asia continues to be profoundly affected by a variety of influences that emanate from outside the region, and by the actions of the US in particular, it is important to say something about the post-war order American power helped create. As we shall see, 'American hegemony' has changed in ways that reflect the US's own shifting foreign policy priorities, which were themselves products of long-term geo-political change in the international system. The first section of this chapter consequently describes this emergent order and provides a theoretical understanding of the changes and continuities that characterise it. Following this, I consider the distinct – though fundamentally interconnected – strategic and economic elements of American power and analyse their impact on Southeast Asia. Finally, I consider the prospects for America's relations with Southeast Asia in the light of both the US's 'war on terror', and as a consequence of the wider East Asian region's attempts to develop a more formally constituted regional identity and organisational presence.

American hegemony

‘Hegemony’ used to be a term primarily associated with scholars working within a broadly Marxist or radical tradition. These days, it’s used across a broad political and scholarly spectrum to describe the unparalleled dominance of the US (see Beeson and Berger 2003). Although there continuing grounds for concern about the health of both the American and global economies (see Brenner 2001), there is no doubt that the US economy experienced something of a renaissance in the second half of the 1990s; a recovery that not only seemed to refute some of the more pessimistic claims about American decline that were widespread a decade earlier,¹ but which effectively underpinned America’s growing military dominance. One of the most striking aspects of America’s contemporary strategic primacy is that it is achieved with remarkably little economic effort or cost (Brooks and Wohlforth 2002). Consequently, no other country – certainly not the former Soviet Union, nor even a rapidly emerging China – can rival America’s overwhelming strategic dominance. Crucial as this military might is to America’s pre-eminent position, it is not the whole story: part of what makes America hegemonic is its capacity to shape the rules and regulations that constitute the contemporary international system. In short, although recent events remind us that the US has the ability to compel compliance with its wishes, it is the willingness of other nations to accede to, and even support, American power and the distinctive ideas and values associated with it that is such a distinctive and telling aspect of its hegemonic dominance. To understand how America came to occupy this unique and privileged position it is useful to make a few brief theoretical and historical observations.

One of the most influential and sophisticated attempts to explain the emergence and decline of particular countries and their dominance of the international system has been developed by Immanuel Wallerstein in particular and by ‘world system theorists’ more generally (see Chase-Dunn and Grimes 1995). In essence, this formulation claims that the rise to prominence of a particular power reflects long-run cyclical change in an increasingly global capitalist economy. This model suggests that powers rise and fall partly as a consequence of their economic position: technological innovation in ‘leading sectors’ of the economy underpins the rise of new hegemonic powers and undercuts existing ones (Schwarz 2000). The other key point to note about this depiction of global capitalism and the role of hegemonic power is that the world is characterised by ‘structured inequality’, in which a distinct ‘core’ of politically and economically powerful, industrialised, wealthy countries, systematically exploits and renders dependent a ‘periphery’ of developing economies (see Chase-Dunn 1998). Although economic development in parts of East and Southeast Asia has tended to undermine such a sweeping and static depiction of international economic relations, much of the developed world plainly does enjoy the advantages that flow from industrialising early. One of the increasingly loudly heard complaints in parts of Southeast Asia in particular, is that the contemporary international political-economy perpetuates such inequalities by discriminating against ‘late’ developing states (see Hewison 2001). In such circumstances, one of the key challenges for the hegemonic power of the era is to win support for, or minimise opposition to, its preferred vision of international order.

Unfortunately, there have been a limited number of historical examples with which to examine either the rise and fall of hegemonic powers, or the strategies they have employed to maintain their ascendancy. In any case, we now inhabit a world in which 'global' forces and transnational institutions have assumed an unparalleled importance, raising questions about how relevant earlier historical experiences actually are, and leading some scholars to claim that in the contemporary period power is far more 'de-centred' and diffuse than before (Hardt and Negri 2000). Nevertheless, the examples of British hegemony in the nineteenth century and American hegemony today, do strongly suggest that if the leading power of the day is both economically and strategically paramount it will have the capacity, or at least the desire, to establish

universal norms, institutions and mechanisms which lay down general rules of behaviour for states and for those forces of civil society that act across national boundaries – rules which support the dominant mode of production (Cox 1983: 172).

While there may be debate about how universal and uncontested some of these norms and values are, there is no doubt that America has played a crucial role in establishing and maintaining a particular sort of world order, one associated with liberal values and the promotion of an 'open', capitalist economic order (Latham 1997). The creation, primarily under US auspices, of the so-called Bretton Woods institutions – the World Bank, International Monetary Fund, and the General Agreement of Tariffs and Trade – in the aftermath of the Second World War, confirmed America's status as the dominant power of the era. Although the roles of these institutions have changed in important ways, the US retains a major influence over their activities – a circumstance that has had major implications for Southeast Asia, as we shall see when we consider the recent economic crisis that gripped the region. Consequently, even if there is less than complete enthusiasm on the part of Southeast Asian elites about the precise nature of the 'neoliberal' or market-centred order that American hegemony has assiduously tried to promote,² there may be little alternative other than to comply with its overall direction.

The possibilities for either effective resistance or the promotion of indigenous alternatives to the dominant paradigm appear to have been further foreclosed by recent strategic developments and the 'war on terrorism'. Interestingly enough, however, the prospect of conflict and warfare have, for some Southeast Asian countries, at least, provided opportunities for economic development and limited autonomy: evolving American priorities and shifting geo-political imperatives have profoundly shaped Southeast Asia's political and economic possibilities. To see why, we need to examine America's strategic engagement with the broader East Asian region and with Southeast Asia in particular.

America, the Cold War, and Southeast Asia

America's involvement in Southeast during the Cold War provides an illuminating counterpoint to the contemporary period where the 'war on terror' has seen the region assume a renewed prominence in US strategic thinking. Despite the importance of strategic concerns in both periods, however, there are significant differences which help to explain the quite different dynamics that have shaped political and economic outcomes. Somewhat paradoxically the Cold War period provided – for some

Southeast Asian countries, at least – both a spur to economic and political development, and a surprising degree of autonomy. As we shall see in the final section, a very different set of dynamics obtains in the region now.

The first point to make about America's immediate post-war involvement in Southeast Asia is that the region was initially a relatively minor part of the wider struggle against the perceived threat of communist expansion (Zhao 1998). Although America had emerged from the Second World War as the most powerful country on the planet, it was confronted by what looked to be a formidable and implacably opposed ideological opponent – the Soviet Union – which had already expanded its own empire throughout Eastern Europe. Unsurprisingly, therefore, Europe was the main game as far as containment of possible communist expansion was concerned. It took the outbreak of the Korean War in 1950 to push East Asia to the forefront of American security concerns and place the Manichean struggle between capitalism and communism on a global footing; a contest in which the region would play a pivotal and bloody part (see Yahuda 1996).

As far as Southeast Asia was concerned, the Americans had to rapidly expand the extent of their engagement with the region, which had hitherto been principally confined to administering its colony in the Philippines. For some Southeast Asian nations America's preoccupation with the wider Cold War confrontation and its capacity to lean on the region's former colonial powers meant that their independence aspirations received an important fillip. The independence movement in Indonesia, for example, received crucial American support when the US pressured the Dutch to withdraw in the hope that an independent, pro-Western capitalist democracy would ultimately emerge (Tarling 1998). In the changed intellectual environment in which colonialism became harder to defend strategically or morally, the Philippines, Burma, and Malaya either gained independence, or made important moves toward it (Stockwell 1999). Other countries, of course were not so fortunate: in Vietnam, despite independence leader Ho Chi Minh's personal affinity with American political ideals, the independence movement's association with communism placed Vietnam on a collision course with America that would – following France's expulsion - ultimately culminate in the Vietnam War (see Kolko 1997).

For those countries outside Indochina, however, which were fortunate enough to find themselves allied to America, the Cold War brought a number of direct benefits, beyond accelerating the decolonisation process. America's overarching strategic vision, which was predicated on establishing successful, pro-western capitalist economies to stand as a bulwark against communist expansion, led them to pour aid and investment into East Asia. Two aspects of the surprisingly beneficial impact that war had on some of the Southeast Asian countries are worth highlighting. First, American support for Japan in particular meant that Japan played a key role as a successful, industrialised Asian economy; something that meant it would in turn become a source of further investment in Southeast Asia.³ The second point to make is that, without American economic support for the region, both in the form of aid and investment and – crucially – in the form of a huge North American consumer goods market - development would have been a good deal slower, and the export-oriented strategies that characterised economic expansion across the region would have been much more difficult to sustain (see Stubbs 1999).

The other general point to make briefly about the effect of America's Cold War activities is about its impact on Southeast Asia as a region and the development of regional institutions as a consequence. At one level, it is plain that the US's preference for bilateral as opposed to multilateral strategic ties, and the consequent establishment of a 'hub and spokes' security architecture across East Asia did little to promote contact – either political or economic – within the wider region (Cumings 1997). The Cold War had the effect of fundamentally dividing both East and Southeast Asia along ideological lines, making the development of the sort of regionally-oriented initiatives that have characterised other parts of the world inherently problematic. However, the Cold War generally, and America's influence in particular, have had the - not always intentional effect - of actually promoting greater regional institutionalisation amongst the non-communist powers. The establishment of the Association of Southeast Asian Nations (ASEAN) is, perhaps, the most important example of this possibility. Although there were compelling reasons to develop an institution with the capacity to manage intramural tensions within Southeast Asia, such considerations were overlaid and given critical impetus by evolving Great Power rivalries across the region. The mutual desire to protect sovereignty and create an entity capable of playing a larger role in a region dominated by the geo-political rivalries of the external powers⁴ had the effect, Acharya (2001: 202) argues, of creating a sense of regional identity where none existed previously.

Systematic attempts are being made to cultivate this sense of regional identity across the wider East Asian region; it could conceivably present a significant buffer to American power if it achieves the hopes of its supporters. Before considering this in any detail, however, it is important to highlight how and why America might wish to assert its influence, and why much of the region might wish to resist it.

America and Southeast Asian political-economy

American priorities have been central determinants of, and constraints on, political and economic development in the region. Consciously or unconsciously, American power during the Cold War in particular structured the environment within which the less powerful Southeast Asian countries attempted to come to terms with the multiple challenges of decolonisation, nation-building and economic development. Significantly, however, America's preoccupation with grand strategy and the struggle with communism meant that American foreign policy elites were prepared to either actively support - or at least tolerate - regimes which may not even have paid lip service to the principles, much less practiced, the sorts of values which were central to the declaratory agenda of American-inspired liberalism. This contradiction was most evident during the Marcos era in the Philippines, where a repressive, illiberal and hopelessly corrupt regime was sustained for many years with the aid of America itself, and through multilateral agencies like the World Bank, over which the US wielded enormous influence (Hutchcroft 1998). Not only was America prepared to tolerate the flagrant abuse of its political principles in the Philippines, it also adopted a similarly benign view of the sorts of strategies and policies that were adopted to boost economic development in Southeast Asia.

There is no intention here of attempting to describe the Southeast Asian development experience in any detail, as other contributions to this collection address such issues in some detail (see Felker, this volume?). However, it is important to highlight a few

issues as they help to explain the dynamics that drive the, occasionally fractious, relationship the US has with a number of Southeast Asian countries. In this regard, a number of historical factors are crucial. The impact of the Cold War generally, and the way American policies helped foster economic take-off in Northeast Asia in particular, have already been noted. But what should also be stressed is that, with the noteworthy exception of Singapore,⁵ the Southeast Asian economies had to cope with the challenges of 'late' development, made more problematic by the very success of the earlier economic expansion in Japan and its Northeast Asian acolytes, Korea and Taiwan. In such circumstances, the sorts of 'interventionist', state-led development strategies that were pioneered by Japan - but which have come in for such sustained criticism from the US and other champions of neoliberal policies (Schoppa 1997) - offered a way for the governments of some Southeast Asian countries to accelerate the industrialisation process and move up the regional economic pecking order. Although the picture across the region is mixed, with Indochina and the Philippines being noteworthy laggards, in Malaysia, Indonesia and Thailand, at least, 'there is little doubt that the structural transformation and industrialization of these economies have gone well beyond what would have been achieved by relying exclusively on market forces and private sector initiatives' (Jomo 2001a: 481).

Importantly, however, it was not just the fact that state-led industrialisation strategies were attractive to Southeast Asian political elites and technocrats that put them on a potential collision course with America and the increasingly influential, pro-market inter-governmental organisations over which it exercised such influence. Resistance to the ideational aspects of American hegemony was almost inevitable given that the sorts of reforms championed by the US and its institutional handmaidens were directly threatening to existent patterns of power, interest and social accommodation across the region. As Jomo (2001b) reminds us, 'much state intervention in Southeast Asia has mainly been for redistributive ends, mainly at the behest of politically influential business interests and interethnic redistribution'. Malaysia is the most complete example of a society in which economic development strategies have been used to underpin a complex array of policies designed to achieve specific economic and social outcomes. Malaysia also highlights the way in which the disparate developmental goals can lead to a fusion of political and economic power and the entrenchment of existent elites (Gomez and Jomo 1997). Whatever we may think of such regimes, from the perspective of many observers in the region, American policy, and the policies of associated institutions like the WTO, were intended to foreclose potentially critical developmental mechanisms and entrench the position of the rich, industrialised economies (Khor 2000; Mahathir 1999).

It is also important to recognise, as Kanishka Jayasuriya (2001) has persuasively argued, that during the Cold War period, and even up until the economic crisis of 1997, the distinctive combination of economic and security policies that characterised US policy in Southeast Asia was predicated on, and actually facilitated, a specific pattern of political and economic relationships across the region. What Jayasuriya describes as 'embedded mercantilism' refers to the development of domestic political coalitions that managed the relationship between the tradeable and non-tradeable sectors of the economy, allowing trade-offs to be made between those sectors of the economy that could compete in world markets and those that could not and needed protection. Crucially, this essentially political response to the challenge of international structural adjustment also established the preconditions for the sort of

patronage-based political structures that are so characteristic of Southeast Asia. As Jayasuriya observes, there are parallels here with Ruggie's (1983) celebrated concept of 'embedded liberalism'. The difference, of course, is that in the post-war period, the governments of Western Europe retained domestic autonomy within a broadly liberal international order. Embedded liberalism, in other words, was compatible with the overall goals of American hegemony. Embedded mercantilism, by contrast, is not.

Another important comparative point that helps to explain why post-war American hegemony was tolerated, if not embraced by Europe, was that it was accompanied by a comprehensive – highly interventionist – plan for the rebuilding of Europe, in which massive injections of American capital played a critical role (see Lundestad 1986; Hogan 1987). In contemporary Southeast Asia, by contrast, which is arguably facing a similar nexus of developmental and security threats, similar largesse has not been forthcoming. On the contrary, American hegemony has been primarily associated with the continuing promotion of neoliberalism in general and of American financial sector interests in particular: long run changes in the structure of the increasingly interconnected international economy - especially the rise to prominence of international financial capital – have fundamentally reconfigured the environment within which individual governments must operate. Financial sector interests associated with 'Wall Street' now exert a powerful influence over American domestic and foreign policy – a fact that explains the continuing promotion of financial sector liberalisation across the world despite compelling evidence about its dangers (Beeson forthcoming). The sorts of policy paradigms that underpinned post-war reconstruction in Europe and the 'golden age' of social welfare capitalism are consequently incompatible with the dominant interests that shape current American policy and values (Phillips 2002).

It is, therefore, within this context of potentially incommensurate normative and policy paradigms that the US's relationships with Southeast Asian nations need to be seen. Although there have always been disjunctures between the rhetoric and reality of American foreign and domestic policy (see, for example, Blum 2000), the telling point is that there is a clear desire within much of the American policy-making establishment to encourage particular sorts of behaviour in other parts of the world. Thus it is also revealing, especially about the nature of contemporary American hegemony, that the preferred vehicle for achieving such outcomes is either direct bilateral pressure in the security sphere, or through the auspices of powerful agencies like the IMF in the economic sphere. The high-profile role America played in the aftermath of the Asian financial crisis demonstrated both its willingness to assume a much larger part in achieving its preferred outcomes in the region, and its preference for direct institutional intervention through agencies like the IMF to achieve such outcomes, rather than operating through multilateral agencies like the increasingly discredited Asia Pacific Economic Cooperation (APEC) forum (Beeson 1999). Crucially, it was the absence of the strategic imperatives associated with the Cold War that gave America the chance to pursue narrower economic interests.

At the very least, therefore, the US's somewhat opportunistic behaviour in the aftermath of the Asian crisis raised serious doubts about – mainly North American – scholarship which suggested that the role of American hegemony was fundamentally benign, and centred on the provision of crucial collective goods (see, for example, Kindleberger 1973). For others, recent American policy has either been the entirely

predictable behaviour of powerful states, or a desirable expression of American power and a central component of international order (Mearschiemer 2001). Recent events have reinforced this latter view amongst some scholars and, more importantly, within the American foreign policy making elite itself (Lieven 2002). Before considering the implications of this development in any detail, however, it is important to say something about the *regional* context within which American power will be manifest, for at this level there have been significance developments which may blunt the impact, or at least complicate the application of, American policy.

America and East Asian regionalism

Despite the consolidation of the hub and spoke network of bilateral relations across East Asia noted above, American political elites have long thought of East Asia and its place in the world in regional terms. American strategy under Bill Clinton, for example, was predicated on the notion of incorporating East Asia into a wider ‘Pacific Community’ (Tow 2001: 170). Whether such goals were ever realisable given the inherently artificial nature of the ‘Asia-Pacific’ is open to question (see Dirlik 1992), but the key point to stress here is that in East Asia itself there has been – until recently, at least – very little enthusiasm for this sort of grand community building. What is noteworthy of late – especially in the wake of the Asian financial crisis – is that there is a growing enthusiasm for precisely such an endeavour, albeit with a limited East Asian membership. If this trend consolidates, it could represent a significant check to American influence in the region.

The possibility that the development of more effective regionally-based institutions might undermine American influence in the region has long-been recognised by the US and demonstrated in its opposition to Malaysian Prime Minister Mohamed Mahathir’s proposed East Asian Economic Caucus (EAEC) (Hook 1999). Initially envisaged as an ‘Asians only’ grouping within the wider APEC forum, American hostility to the concept meant that it was effectively still-born; Japan’s continuing deference to the US and its consequent unwillingness to assume policy positions of which the latter disapproved assured EAEC’s non-viability. In the wake of the Asian economic crisis, however, the idea of an East Asian grouping has been revived. Although the US was able to scupper the idea of an Asian Monetary Fund (AMF) - which Japan proposed in the immediate aftermath of the crisis - such ideas have not disappeared and continue to provide the basis for regionally-based strategies to counter future economic crises (Narine 2001). Indeed, it is significant that the formal expression of these regional initiatives – ASEAN+3, which includes the ASEAN nations, plus China, Japan, and South Korea – has developed increased momentum since the late 1990s (Stubbs 2002).

Given ASEAN’s modest track-record of achievement as far as encouraging significant regional cooperation is concerned, there is a good deal of scepticism about how effective a larger organisation might in driving initiatives like an AMF or an East Asian preferential free trade agreement (Ravenhill 2002). The sceptics have a point: not only are there enduring tensions within the smaller ASEAN grouping (Tan 2000), but the two regional giants – Japan and China – have a history of animosity made worse by their inherently antagonistic regional leadership ambitions. Nevertheless, there is evidence that Japan and China are making progress on some of the more mundane but symbolically important aspects of regional economic cooperation

(Sevastopulo 2002), which could lay the groundwork for more extensive political cooperation.⁶ The emergence of greater regional cooperation in other parts of the world is likely to act as a spur to such developments and suggests that regionalism remains an important contemporary trend across the globe (Fawcett 1995). Yet whatever the long-term fate of these initiatives may be, the point of greatest significance here is that, in the case of East Asia at least, they are 'aimed at restoring to Asia a greater degree of political power and autonomy *vis-à-vis* the rest of the world, and the US and the international financial institutions in particular' (Bowles 2002: 245). In other words, as Webber (2001) argues, 'the new East Asian regionalism is taking place in effect *in opposition to the West in general and the US in particular*' (Webber 2001: 364, emphasis added).

What is most striking about recent American policy toward East Asia, therefore, is that US economic – and by extension, political – goals have been encouraging the development of greater regionalism, or the self-conscious pursuit of greater political and institutional integration at the regional level. The *unintended* outcome of the application of American power has been to encourage a sort of 'defensive regionalism' in response to the common challenge of US assertiveness and unilateralism.

A number of scholars have rightly emphasised the primacy of regionalisation – or underlying, predominantly private sector or market-led forms of regional activity – in encouraging greater regional integration (Phillips 2003); this has certainly been the principal engine driving economic interconnectedness in East Asia (Ravenhill 1995). However, we also need to recognise that regionalism can be encouraged by political forces that emanate from outside of regions themselves – even when such forces were intended to achieve very different goals. Far from resulting in the inevitable consolidation of the sort of 'open' regionalism associated with the US's market-centred trade liberalisation agenda, therefore, externally-generated reformist pressure may actually be encouraging the development of discriminatory, *regionally*-based preferential trade agreements (*New Straits Times* 2001).

In the area of economic reform and the consolidation of a neoliberal agenda in East Asia, therefore, the picture is mixed. In the financial sector, efforts to develop defensive currency swap mechanisms and doubts about the benefits of liberalisation notwithstanding, there is continuing momentum toward further liberalisation. In the trade sector, on the other hand, the push for universal liberalisation is giving way to bilateral trade deals. In the economic sphere, therefore, especially where there are powerful, entrenched economic interests associated with embedded mercantilism, there have been significant limits to American influence and a capacity to resist reformist pressure. However, the events of September 11 provided a powerful reminder that economic development does not occur in isolation. The key question now is whether the renewed importance of strategic issues and the pivotal role Southeast Asia has played in the evolving 'war on terror' will actually enhance American power and its overall capacity to achieve its goals.

Back to the Future: Southeast Asia after September 11

The primacy attached to strategic issues in the aftermath of September 11 and the Bali bombings can be seen as a case of 'back to the future'. As the earlier consideration of

the Cold War period demonstrated, American engagement with the wider East Asian region has always been primarily driven by security considerations. True, when the East Asian economies were booming and threatening to undermine America's own domestic economy as a consequence, and when the declining significance of military threats led to a widespread privileging of economic rather than strategic issues, it looked as if a permanent recalibration of America's foreign policy goals had occurred (Luttwak 1990). As the 'war on terror' continues to unfold, however, and as Southeast Asia in particular is pressured to play a suitably supportive part, such assumptions look increasingly untenable. This is not to argue that there was only one possible reaction to the attacks on America itself, but to suggest that the general strategic orientation of the Bush administration in particular made a mainly military response all too predictable (Lieven 2002).

The re-emergence of security as a key issue has highlighted some of the tensions and contradictions in the pursuit of greater East Asian regionalism, the position of Southeast Asia in particular, and the ambiguous impact of American power. Although the actions of the US in the aftermath of Asia's *economic* crisis were an inadvertent spur to greater regionalism, the 'war on terror' has provided a powerful reminder of the strategic fault-lines that have helped shape the region in the post-war period. For all the resentment that America's heavy-handed intervention in the economic sphere generated, it is important to recognise that for most East Asian nations – China is the obvious exception – America's strategic engagement is seen as a vital and irreplaceable component of regional stability (Christensen 1999). Consequently, despite the moves toward greater regional cooperation noted above, and the development of specific multilateral security organisations like the ASEAN Regional Forum (ARF), the US's continuing strategic dominance of the region means that there are major constraints on the possible development of regionally-based initiatives (Hara 1999). This was true even before September 11; recent events have had the effect of entrenching this reality.

As far the countries of Southeast Asia are concerned, therefore, recent developments have highlighted their continuing susceptibility to external pressures. This was also the case during the Cold War, of course, but the overarching struggle between formidable capitalist and communist powers created a space within which the nations of Southeast Asia could at least attempt to shore up their sovereignty and concentrate on domestic security. In the post-Cold War environment the capacity of the ASEAN countries to influence regional security outcomes has diminished along with their strategic significance (Narine 1998). Moreover, in the longer term the perception of regional instability that emerged in the aftermath of the economic crisis has been given further weight by Southeast Asia's association with Islamic separatism (Chalk 2001). In such circumstances, the US has moved rapidly to consolidate or re-establish close, *bilateral* security relations with Indonesia, the Philippines and even Malaysia (Lyall 2002). ASEAN, as was the case during the Asian economic crisis, has found it difficult to assert itself and play a significant role in responding to a security challenge that threatens to further undermine the region's fragile political and economic position (Callick 2002).

Despite the fact that cooperation with the US in its self-proclaimed 'war on terror' is fraught with domestic difficulties for all of the major Southeast Asian nations (Richardson 2001), it is revealing that they all feel compelled to evince some degree

of cooperation, if not enthusiasm for the project. While for some countries, notably Malaysia, recent events presented an opportunity to engineer a welcome rapprochement with America, in the longer-term Southeast Asia's situation dramatically highlights a more general feature of contemporary American hegemony: the US's insistence that other nations declare themselves 'for or against' terrorism - and by implication America's foreign policy goals - combined with the US's new doctrine of 'pre-emption' (Harding and Wolffe 2002),⁷ means that all nations must come to terms with an evermore powerful and unilateralist America. Given that the so-called 'axis of evil' runs right through Northeast Asia, this is a situation with fundamentally destabilising implications for the entire East Asian region (Schorrock 2002).

September 11 may have been traumatic for the US, but it threatens to inflict longer-term collateral damage on Southeast Asia. The presence of substantial Muslim populations across the region, especially when combined with credible evidence about terrorist activities in parts of Southeast Asia (Abuza 2002), served to further dent the region's battered post-crisis reputation. Indonesia is the most dramatic example of how perceptions of governmental ineptitude and incapacity can exacerbate existing economic problems and cause a further decline in desperately needed foreign investment (McBeth 2002). Any illusions that ASEAN or even the ARF might play a pivotal role in managing the security crisis have been rapidly squashed by the US's decisive, largely unilateral response, and the concomitant need for Asian nations to fall in line or risk incurring the wrath of the US or its institutional allies. American hegemony, in other words, is once again proving to be a, if not *the* decisive determinant of Southeast Asia's geopolitical future.

Concluding remarks

America's political influence, economic weight and – especially of late – its military might, have meant that there has always been a fundamental disparity in its power compared with Southeast Asia's. Even in the most favourable of circumstances – paradoxically at the height of the Cold War – the combined efforts of the ASEAN nations were unable to significantly influence American policy. At best the nations of ASEAN have been able to opportunistically exploit moments of strategic preoccupation on the part of the US. It has become increasingly apparent, however, that – freed from its Cold War constraints – the US is prepared to use its overwhelming power to pursue what American foreign policy-making elites judge to be their national interests. In such circumstances, Southeast Asia can do little other than comply.

Many Americans regard the US's growing ascendancy as a good thing, and see American power and influence as sources of stability. Despite the fact that its primacy is currently underpinned by conscious attempts to promote American norms and values (de Grazia 2002), however, across much of East Asia - and Latin America, too, for that matter (Higgott and Phillips 2000) – there is a substantial undercurrent of resentment about the impact of what are taken to be American-inspired initiatives and ideas. It is within such a context that recent attempts to develop a more authentically East Asian regional grouping need to be seen. Whether ASEAN + 3 can overcome significant internal tensions and formidable technical obstacles to provide an effective mechanisms for the development and promulgation of 'Asian' models of social,

political and economic organisation remains to be seen. Even if it is successful, it will be something of a mixed blessing for the countries of Southeast Asia as they will risk being overshadowed by the regional heavyweights. The stark reality for Southeast Asian nations is that they have a limited capacity - alone or collectively - to control the external economic and strategic environment within which it must operate. In this regard, America is but the most compelling example of the constraints and challenges that face what are in many cases still developing economies and brittle political systems.

Given that Southeast Asians have a limited capacity to shape the international system or influence the behaviour of its most powerful members, the outlook might seem rather bleak. In many ways it is: the regional security crisis that emerged in the aftermath of the terrorist attacks in American and Bali has added to instability and undermined economic development. However, if – and this is a very big ‘if’ – American foreign policymakers can be encouraged to take the sort of longer-term, visionary position that characterised American policy in post-war Europe at the dawn of the Cold War, then there may yet be grounds for cautious optimism. True, little that the current regime has done augurs well in this regard, but if American hegemony is to be more securely grounded then it plainly needs to gain the support of those who are drawn into its orbit. The big lesson to emerge from September 11 was that even the US with all its military might and political power is not immune to weapons of the weak when wielded by zealots. If Southeast Asia is not to become a breeding ground for such people, therefore, it is crucial that American hegemony becomes more consensual and less coercive.

Endnotes

¹ See for example, Keohane (1984).

² On neoliberalism see Richardson (2001).

³ Although there is some debate about the precise nature of Japan’s relationship with the region, the overall impact of Japan as a source of investment and as a role model for successful development has been positive and accelerated wider regional development. See Beeson (2001).

⁴ It should be noted that although ASEAN has displayed remarkable longevity and played an important role in helping resolve regional crises, even where it played a prominent role in the resolution of the Cambodia crisis, this was largely because it coincided with the interests of the major powers. See, Jones and Smith (2001).

⁵ Singapore industrialised earlier and more successfully than the rest of Southeast Asia and is integrated into the global economy in ways that make it an exceptional case in the region.

⁶ It is worth emphasising that should the East Asian nations develop the requisite political will, they already have the economic capacity to underpin these sorts of economic initiatives and provide a degree of independence. See Dieter (2000).

⁷ This policy is predicated upon the idea that the US reserves the right to unilaterally attack perceived enemies before they can threaten it.

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