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Put Southeast Asia at the centre of the UK's Indo-Pacific Tilt

By **Ben Bland** – Director of the Southeast Asia Program at the Lowy Institute and Senior Research Fellow at the Foreign Policy Centre

Summary

- The Indo-Pacific Tilt will not prove meaningful unless it leads to a permanent step-change in the pace, breadth and depth of Britain's engagement with Southeast Asia, which lies at the geographic and geopolitical heart of the broader Indo-Pacific region.
- The UK has a very solid base of political, economic and social capital in Southeast Asia upon which it can build in the years ahead. The key to success is a dual strategy of bilateral engagement with Southeast Asian nations and multilateral engagement with ASEAN. This should be supported by deepening the UK's strategic conversations and cooperation on Southeast Asia with other important partners such as the US, Australia, the EU and Japan.
- There are few quick wins in Southeast Asia and the UK faces many risks as well as opportunities in the region. But the UK has much to offer as a partner and an important role to play, alongside others, in helping Southeast Asia to overcome the challenges that it faces.
- While foreign policy discussions about Southeast Asia are often dominated by security experts, most of the region's governments are focused on domestic development challenges. Helping them solve these will boost prosperity and stability across the region, as well as boosting the UK's reputation. The best way to help Southeast Asian nations stave off pressure from China is to help make them more resilient in their own right.
- Given its deep multilateral experience and P5 status at the UN, the UK can also be a useful partner for Southeast Asian nations as they seek to raise their influence in important but troubled global organisations such as the World Trade Organization and World Health Organization.
- The UK should put Indonesia at the heart of its intensified engagement with Southeast Asia because Indonesia is so important and the UK-Indonesia relationship has so much room to grow. The British government should focus on economic cooperation with Indonesia, people-to-people links and support for civil society.

About the author

1. I am the Director of the Southeast Asia Program at the Lowy Institute, a leading international think-tank based in Sydney. I am also a non-resident Senior Research Fellow at the Foreign Policy Centre in London.
2. A British citizen, I am an expert on Southeast Asian politics, and have been working in or studying the region for 20 years. I have a longstanding interest in Indonesia, having lived in Jakarta, studied Indonesian and built relationships with key players across the political and business communities. I am keen to raise the profile of Southeast Asia and Indonesia in the UK and help the Indo-Pacific Tilt move from policy planning to reality.
3. I focus on the intersection of politics, economics and foreign policy and am currently engaged in research projects looking at: overseas development assistance and influence in

Southeast Asia, the changing shape of internet governance, and future development pathways for the region.

4. I am the author of two acclaimed books on Asian politics, the most recent being *Man of Contradictions: Joko Widodo and the Struggle to Remake Indonesia* (Penguin Random House, 2020), the first English-language political biography of Indonesia's president. My first book, *Generation HK: Seeking Identity in China's Shadow* (Penguin Random House, 2017), was a study of the young Hong Kongers pushing back against Beijing's pressures on the city.
5. I regularly brief governments officials, parliamentarians and business executives in Australia, the UK, the US, Southeast Asia and beyond on issues related to the region. I am also an active participant in Track 1.5 and Track 2 dialogues with Southeast Asian counterparts.
6. I frequently write op-eds and provide expert analysis on Southeast Asia to leading international media organisations including Bloomberg, CNN, the *Financial Times*, *The Guardian*, Reuters and *The Washington Post*.
7. Before joining the Lowy Institute, I was a correspondent for the *Financial Times* for a decade, with postings in Jakarta, Hanoi and Hong Kong. I focused on Southeast Asia during my undergraduate History degree at the University of Cambridge and have an MA in Southeast Asian Studies from the School of Oriental and African Studies at the University of London.

Southeast Asia is the geographic and geopolitical heart of the Indo-Pacific

8. Although the UK government is looking to deepen its engagement across the Indo-Pacific, it cannot possibly hope to make a difference in all parts of such a large region, which encompasses billions of people across two oceans. Rather, it should focus on specific issues and geographic areas in order to make the most of finite diplomatic, development and military resources.
9. Southeast Asia, at the geographical heart of the Indo-Pacific, is the region where there is most to play for, and most at stake, for the UK and its allies and close partners such as the US, Australia and Japan. The UK has a substantial pool of political, economic and social capital in Southeast Asia but the battle for influence is heating up. The UK, therefore, needs to leverage its existing capital if it is to keep pace with rivals and, hopefully, become a more important partner for the region.

Opportunities abound in Southeast Asia

10. A vibrant region of more than 650 million people, Southeast Asia presents many opportunities for the UK. Economic growth, while negatively impacted by the COVID-19 pandemic, will bounce back strongly in the years ahead, generating many openings for British businesses to trade and invest. The rising middle classes across the region will generate strong demand for the products and services that Britain's diverse corporate sector provides.
11. Southeast Asian nations are important partners who want, and deserve, a greater say in global governance and can support the UK's aims to reinvigorate battered multilateral institutions such as the World Trade Organization (WTO) and the World Health Organization (WHO). Although diplomatic capacity varies across the region, the UK will need to work more closely with key countries including Indonesia, the Philippines and Vietnam as they seek to become more active players on the world stage. Securing Dialogue Partner status with the Association of Southeast Asian Nations (ASEAN) provides a great platform on which to build these linkages.
12. Southeast Asia is on the frontlines of the climate crisis. If the UK wants to be a global leader in tackling climate change, it should do much more with the region, from expanding

development cooperation, to collaborating with the private sector and building a global consensus on issues such as carbon taxes and the rules around carbon offsets.

13. If the UK government is serious about competing with China, it has endless avenues to work with both governments and civil society in Southeast Asia to demonstrate the benefits of engaging with democracies that respect human rights, value environmental protections and embrace transparency and openness.

But there are risks ahead too

14. As well as understanding the opportunities, the British government needs to be clear-eyed about the risks in Southeast Asia, where there are few truly like-minded nations. Authoritarian government, which has long been the norm in Southeast Asia, has proven remarkably resilient. Myanmar's democratically elected government was ousted in a coup earlier this year. A reformist coalition elected in Malaysia in 2018 fell apart within two years. Indonesia and the Philippines, the only ASEAN member-states with truly competitive electoral systems, have experienced a decline in the quality of their democracy, with governments critics and civil society groups under growing pressure.
15. Despite good relations between ASEAN member-states, domestic politics remain unstable in certain key countries and there are pockets of turbulence elsewhere. In Myanmar, the junta is struggling to govern the country, despite being in nominal control, and the spectre of an escalating multi-front conflict looms large. In Thailand, the military-led government faces regular street protests after cutting off other avenues for dissent. Malaysia lacks a stable governing coalition. Indonesia, the Philippines and Thailand are embroiled in long-running and sometimes violent conflicts with separatist groups.
16. After emerging relatively unscathed from the first global wave of COVID-19, Southeast Asia is now bearing the brunt of the Delta variant. The pandemic has exerted a heavy toll on the region's economies and health systems, taking several hundred thousand lives. With the large developing countries of Southeast Asia struggling to get access to and distribute vaccines, this is likely to be a multi-year crisis. The scarring effect on businesses, households and health systems could have a lasting impact on the region's development prospects.
17. The lack of a concerted and comprehensive global and regional response to the pandemic also bodes ill for another intractable collective action problem facing Southeast Asia: climate change. The region is one of the world's most exposed to global warming and rising sea levels because of the location of major capital cities, food and industrial production centres in low-lying delta and coastal areas. Like COVID-19, climate change is likely to exacerbate existing problems such as widespread social inequality and stubbornly high levels of poverty, especially in more remote parts of the region.
18. Although most of the challenges facing Southeast Asia are domestic, the region also risks destabilisation because of external factors, chiefly the growing rivalry between the US and China. One unlikely but highly damaging scenario would be armed conflict between the world's two leading powers over a flashpoint such as Taiwan, or the South or East China Seas. More likely is that jockeying between the two great powers makes it even harder for ASEAN to adopt a cohesive response to shared challenges; or that growing economic linkages between China and its neighbours in Southeast Asia create a path dependency that leaves Southeast Asia enmeshed in a Beijing-dominated sphere of influence. But Southeast Asian governments are determined to try to capitalise on US-China competition by securing more economic concessions from both sides.

Making the most of ASEAN Dialogue Partner status

19. Securing ASEAN Dialogue Partner status is a great opportunity to build on the UK's existing strengths as a partner for Southeast Asian nations. But it is important that the UK government sees ASEAN Dialogue Partner status as the price of entry to enhanced engagement with the region, rather than a diplomatic prize that can be banked and forgotten about.
20. There are no quick and easy wins when it comes to engaging with ASEAN, which can be laborious and bureaucratic, like many other regional and multilateral organisations. Where ASEAN differs is that its Jakarta-based secretariat is deliberately deprived of resources and power, to ensure that authority and sovereignty resides in national capitals. The rotating annual chair takes on much of the work of organising and setting the agenda for ministerial meetings.
21. The key to successful interactions with ASEAN therefore lies in a twin approach, engaging with the organisation's secretariat and the annual chair, on the one hand, while also pursuing intensive consultations with all ten member-states. Done correctly, therefore, enhanced engagement with ASEAN, as an organisation, and Southeast Asian governments, in their own right, should be mutually reinforcing.
22. Some ASEAN member-states remain sceptical about the UK's commitment to the region, so British ministers will need to maintain their recent pace of visits to Southeast Asia if they want to be seen as more serious long-term partners. They will also need to be in listening mode, asking what Southeast Asian governments want from the UK and finding out where interests and capabilities overlap.
23. While ASEAN is often seen by outsiders as a forum for tackling geopolitical challenges, Southeast Asian governments are much more focused on domestic problems and how ASEAN can help them resolve these. The UK will get more out of Dialogue Partner status if it uses it to help the region tackle such issues, including pandemic recovery, boosting economic growth and mitigating climate change.
24. The UK should also use Dialogue Partner status as a platform to deepen its strategic conversations and practical cooperation with other Dialogue Partners that share Britain's objectives and values, chiefly the US, Australia, Japan, South Korea, as well as the EU and its most influential members-states France and Germany.
25. Rather than just talking about the rules-based international order or competition with China, the UK needs to use Dialogue Partner status as an opportunity to be present in and helpful to the region. That is the best way to ensure that Britain becomes more influential and capitalises on its existing reputation and connections in the region. And it is the best way to support Southeast Asian nations' sovereignty and independence.

Boosting the FCDO's Southeast Asia expertise

26. If the UK is to live up to the government's ambitions in the Indo-Pacific, the Foreign, Commonwealth & Development Office (FCDO) will need to enhance its engagement across the region. That will require more personnel, more expertise and more financial resources.
27. While Southeast Asian postings have not typically been seen as a top priority, the FCDO needs to ensure that it develops more diplomats with extensive regional experience and carves out more time for them to undertake language study. When it comes to winning trust, understanding nuances and getting down to brass tacks, there is no better tool than speaking the local language.
28. To quickly boost its capabilities in Southeast Asia, the FCDO should consider more experienced hires from outside government, both in London and on post. The FCDO could benefit from the country experience, contacts and new ideas that outside experts bring,

across a range of activities, from traditional diplomacy to trade and investment, and development cooperation.

29. New resources should be concentrated in countries that are important but difficult to navigate, including Indonesia, the Philippines, Vietnam, Myanmar and Thailand. Rather than just staffing up capital cities, there is also a need to have more personnel who can travel around these sprawling and diverse countries, where local governments often have more sway than national governments.
30. In terms of financial resources, the UK should look to maintain or increase its development spending in Southeast Asia, despite overall budget cuts and the fact that more Southeast Asian states are now classed as middle-income countries.
31. The former Department for International Development has a strong reputation in the region and the merged FCDO should look to continue building on this. Development cooperation is a vital tool of statecraft for the UK and, even in the middle-income countries such as Indonesia and the Philippines, there is no shortage of problems that the UK can help to tackle.
32. The FCDO needs to pair this governmental approach with support for civil society, which is under pressure across the region from authoritarian governments and democratic governments with authoritarian tendencies. Working with governments can secure the UK's short-term interests but the UK also needs to do what it can to help promote its values in the region and deepen ties with the people of Southeast Asia. Values and interests are often in conflict but, if development cooperation is done carefully and thoughtfully, it is possible to walk and chew gum.
33. Lastly, the FCDO needs to do more to help build a broader community of experts engaged in Southeast Asia. Despite its importance, the region remains woefully under-covered by UK universities and think-tanks, with not a single full-time research fellow dedicated to Southeast Asia at the various leading think-tanks based in London.
34. The FCDO should consider supporting universities, think-tanks and other groups that can help generate interest in, understanding of and contact with Southeast Asia. Track 1.5 dialogues, involving government officials and academic/think-tank experts, and Track 2 dialogues, involving only the latter, are an important tool of informal diplomacy in the region. The FCDO should support more of these.
35. The FCDO could learn from how Australia's Department of Foreign Affairs and Trade has helped the development of a broad network of non-governmental partners that foster relations with Southeast Asia (including the Lowy Institute, where the Southeast Asia Program is supported by several Australian government grants).

The UK needs a renewed focus on Indonesia

36. Indonesia is the most populous nation in Southeast Asia, a G20 economy, the world's third biggest democracy and the world's biggest Muslim-majority nation. For these reasons, and more, the UK should make strengthened relations with Indonesia a priority. Historically the UK has framed its Southeast Asian engagement around its former colonies: Malaysia, Singapore and Brunei. Indonesia has too often been overlooked in London, partly because of a lack of historical engagement and partly because it is a large and difficult place to do business.
37. The first challenge, which the Foreign Secretary has started to address, is to increase high-level political engagement with Indonesia. No British Prime Minister has visited Jakarta since David Cameron in 2015, although Indonesian President Joko Widodo came to London in 2016. The UK should consider setting up an annual 2+2 foreign and defence ministers

meeting with Indonesia, which could be rotated between London and Jakarta. This would be a great channel to deepen the strategic and practical conversations between the two countries.

38. Economic diplomacy, encompassing development cooperation but focused on boosting trade and investment, should be a major focus. Both countries have much to gain on this front. Now outside the EU, the UK needs to find new markets for its goods and services and new investment destinations. While the pandemic has dented economic growth in Indonesia, the country's medium-term prospects are robust. The expansion of the Indonesian middle class will offer many opportunities for British companies willing to navigate the sometimes complicated but often rewarding business scene in Indonesia.
39. Indonesian President Joko Widodo has a laser-like focus on promoting economic growth, so the best way to get his backing is to support his ambitions to build more physical infrastructure, improve education and healthcare, and accelerate the shift to a digital economy. The bilateral trade and investment relationship is under-developed so there should be plenty of opportunities for growth. The key to success will be understanding the real challenges of doing business in Indonesia, rather than wishing them away, so that companies, with the support of government, are better placed to overcome them.
40. The UK should also work more closely with Indonesia on issues of global economic governance. Indonesia has the presidency of the G20 in 2022 and, more broadly, it is keen to play a bigger role in global institutions, many of which have withered on the vine in recent years. As a large developing nation, and the world's fourth most populous, Indonesia's voice is important and the UK should listen to Jakarta's concerns and cooperate on areas of mutual interest, such as reform of the WTO.
41. There is room to do more with Indonesia on security, both internal and external, coordinating with close UK partners like the US and Australia, which have extensive relationships and cooperation programmes across the law enforcement, counter-terrorism, maritime and military domains.
42. Government-to-government partnerships can only get nations so far. People-to-people links are the foundation stone of the most successful bilateral relationships. The UK has a broadly positive reputation in Indonesia, which is a good starting point. Indonesia, sadly, is little known in the UK. Only one British university, my alma mater SOAS, offers advanced study of the Indonesian language. Governments, parliamentarians, businesses, universities and others in both countries will have to work together to increase awareness about Indonesia in the UK and foster a better mutual understanding.
43. The UK also needs to enhance its engagement with civil society in Indonesia, which remains the most vibrant democracy in Southeast Asia, despite recent pressures on human rights. This can be done through development cooperation with local NGOs but also through facilitating connections between Indonesian NGOs and their counterparts in the region and beyond. Many Indonesian NGOs were already struggling financially before COVID-19 and the pandemic has exacerbated these strains, although these organisations are needed more than ever to support Indonesian society through a very difficult period.
44. Beyond traditional areas of civil society focus such as the environment, law reform, gender equality and media freedom, the UK should be more active in promoting digital rights and digital literacy in Indonesia. The future of the internet will be shaped in countries like Indonesia, which has some of the world's most active social media users, and the internet will also shape the future of Indonesia.

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