

**“The United States and Indonesia:
Bilateral Relations and External Factors”**

sponsored by

The Paul H. Nitze School of Advanced International Studies of
The Johns Hopkins University,
The United States-Indonesia Society
and the Embassy of the Republic of Indonesia

Thursday, April 19, 2007
Washington, DC

Note: The full text of the keynote speech by Dr. Dewi Fortuna Anwar has been distributed to USINDO recipients and is available on our web site, www.usindo.org.

Professor Karl Jackson of Johns Hopkins University welcomed conference participants by observing that the United State-Indonesia relationship is “never boring.” **USINDO President La Porta** said that a conference to examine the bilateral relationship from different perspectives is timely, coming half way into the administration of President Susilo Bambang Yudhoyono, and there is a wide range of issues to be examined.

Ambassador Sudjadnan Parnohadiningrat led off the substantive discussion by observing that, since his tour of duty in Washington began in January 2006, his embassy has made an effort to put bilateral relations into a framework in order to get tangible improvements. In the Ambassador’s view, these efforts fall into five rough areas:

- Opportunities in Asia created by a “rising China,” a “new architecture” for Asian regionalism, shifts in U.S. relations with India, and a new security relationship between Japan and Australia.
- An upward trend in mining and energy resources development.
- The advancement of democracy which creates a “level playing field” of respect between Indonesia and the United States.
- Indonesia’s pluralistic society, religious tolerance and elective government which attracts attention and support in new areas of common interest.
- Increased diplomatic activity, among other things Indonesia’s current representation on the United Nations Security Council.

Professor Dewi Fortuna Anwar then presented her comprehensive view of regional and bilateral relations and the guiding principles of Indonesian foreign policy (see the above-mentioned paper). During her presentation, she outlined the benefits from the “Americanization” of Indonesian politics and society, but serious problems remain with the Global War on Terror (GWOT), characterizations of Islam as a “terrorist religion,” unilateralism, discrimination against Muslims wanting to enter the United States under the current visa policy, and, in the view of many Indonesians, the fear that U.S. pressure and aid would lead the SBY administration to adopt an anti-Islamic agenda. In the discussion period, Professor Anwar observed that it necessary to overcome rhetorical excesses and mis-portrayals (for example, use of the word “crusade”). Also, nuances are missing from media reportage on Indonesia. More and more effective U.S. public diplomacy is needed to go beyond a potential change of administration in the United States as widely reflected in U.S. public opinion and the media. Changes in official travel warning and terrorism notices are also required to overcome the “paranoia” that Indonesia is not safe.

Ambassador Robert Pringle, speaking on his recent research visit to Indonesia for a forthcoming book on Islam, observed that there was a time when Islam did not matter much when discussing Indonesia. Little was said in former times about political Islam but today the reality is the “demarginalization” of Islam as more Indonesians are becoming religiously observant. Islamists and violent extremists are aware that Islam does not have a great electoral attraction domestically, thus are using violence and intimidation to have a public impact. It is also clear that external influences, as seen in the concern over “Arabization,” are taking over from weak indigenous institutions.

Regarding popular attitudes, Dr. Pringle observed that Indonesians are “self-consciously ambivalent” about the United States. They are quite aware of developments in the U.S. and admire U.S. values and society. New Indonesian democratic forms have been inspired by American models, including decentralization and the new second chamber of parliament, the Senate-like DPD (regional representatives’ council). Indonesians are also better informed about the U.S. than Americans are of them.

Dr. Rizal Sukma of CSIS/Jakarta, who is currently lecturing at Columbia University as a Fulbright scholar, characterized democratization in Indonesia as an “ongoing project” but the “democratic culture” is not strong yet. He said that democracy has brought a diffusion of power as the regions are becoming more important, secular Muslims are giving way to strong Islamist voices, and the principle of civilian control of the armed forces (TNI) has been established.

He then discussed the challenges of military reform and faulted the SBY administration for not pushing reform further. While there has been a visible military withdrawal from politics, dualism remains on the national level as both the armed forces commander and the defense minister sit in the cabinet, territorial army commanders still are perceived as the “military commissars” relative to now-elected civilian provincial governors, and the military still controls business activities despite a 2004 law requiring divestiture. Meanwhile, military capabilities remain weak as the armed forces are “underpaid, undermanned and under-equipped.” Oversight of military affairs by parliament is also weak and the SBY administration has been unable or unwilling to press forward on reforms, hence civilian control remains incomplete.

Dr. Sukma urged Americans to “look at Indonesia as a fellow democracy,” not only as the world’s largest Muslim nation and largest country in Southeast Asia. The United States should not define defense relations with Indonesia only in terms of GWOT, but rather focus on strategic issues, non-traditional security threats, communal violence, humanitarian operations and peacekeeping. More civilian officials need to be educated in military matters and the U.S. should support a major defense review and planning process. The objectives of U.S. military assistance, he concluded, should be to increase the Army’s mobility, the surveillance capacity of the Air Force, and the Navy’s patrolling capability.

Ms. Neha Mishra of the AFL-CIO Solidarity Center described U.S. Government efforts to stem human trafficking in Southeast Asia and the importance of this issue for Indonesia. The evidence shows that the majority of Indonesians are being trafficked for labor exploitation, not prostitution and other reasons, to the extent that this out-migration is calculated in the government’s economic plans and revenue calculations. Migrant workers are even coming to the United States, she said, and recruiting agencies practice “debt bondage” and use coercion.

The Indonesian government sees labor out-migration as easing unemployment and obtaining revenue through remittances but, unlike the Philippines, there is not a strong legal regime to protect the workers. A new international trafficking law has recently been passed, and a workers’ protection law already was on the books, but their enforcement remains to be seen.

Professor Catharin Dalpino of Georgetown University spoke on the regional implications of current leadership shifts in Southeast Asia. She referred to the “grand old man of ASEAN” model in which commanding figures such as Lee Kuan Yew, Soeharto and Mahathir largely guided regional affairs.

Today political changes and democratization, with some steps backward in the current Thai situation, are impacting heavily on regional leadership. Overall, while regional leadership by others in Southeast Asia is weakening, Indonesia is rising.

She described current U.S. perceptions of increasing democratization and political stability in Indonesia as encouraging. Jakarta is becoming more outward-looking under the SBY administration and is showing new activism vis-à-vis Myanmar, Lebanon peacekeeping and other problem areas. There is also renewed emphasis on trade and investment relations, to some extent in reaction to Vietnam's growing economic clout.

Professor Dalpino went on to discuss some of the positive and negative implications of leadership in Southeast Asia. Where is the visionary architect of regionalism (Asia's Jean Monnet" in the words of one Asian leader)? The ability to deal with and "deliver" the external powers is one important factor in the exercise of leadership; in this respect, Indonesia's democratic changes and emerging regional leadership are not fully recognized by Washington, she opined. The perception is that U.S. administrations tend to rely mainly on its alliance relationships with Thailand and the Philippines. And no action has been taken by the Bush administration to appoint a U.S. envoy for ASEAN as favored by the Congress. The result is that "transient trends" are likely to dominate U.S. engagement with Southeast Asia, and Indonesia, as a striving democracy, is not likely to be fully accepted in a regional leadership role.

The following points emerged in the general discussion:

APEC: To some, APEC has outlived its usefulness and is diluted by its "Pacific nature." Also, there is a feeling that the United States has "hijacked" the APEC agenda with security-terrorism issues. That said, 2007 may be opportune for the United States to inject new energy into APEC because Australia will host this year's summit.

U.S. Military Training: Several participants observed that the United States should increase military training for the TNI in order to overcome the legacy of past abuses and "correct the system." U.S. training Indonesian civilian and military personnel is needed to support the democratic order and civilian control of the armed forces.

Freedom of the Press and Media: One speaker observed that the broadcasting rules implemented at the end of 2005 were oppressive and were a step backward in Indonesia's democratization. However, the media controls (e.g., the ban on foreign live news broadcasting) have not had great impact so far.

Bureaucratic Reform: There is a pressing need to proceed with bureaucratic reforms that have been implemented only in a few government bodies. The pace of change is expected to pick up as younger officials, who value democracy more, are absorbed into the bureaucracy. It was felt that this was an agenda for the next administration to come after the 2009 elections.

Education: Reference was made to the withdrawal from circulation of history textbooks that dealt with the 1965-66 Gestapu affair and the rise of the Soeharto government. Reportedly there was strong political pressure to do so. More broadly, it was observed that Indonesian education is based on rote learning, not critical thinking and innovation, hence a change in attitude about history writing will be slow in coming. Indonesia is not yet ready to reopen the interpretation of 1965-66 issues and the communist movement.

Military Reform: It was observed that opposition within the TNI to military reform is much less than three years ago during the Megawati administration. The problem now is that the SBY government has not moved ahead, although ending the "dual function" and the political neutrality of the armed forces has been achieved. With regard to military businesses, the government thus far has shown a willingness to deal only with a few high profile enterprises, although many military assets are being commercialized.

The military-run cooperatives and foundations are yet to be dealt with, however. (The TNI’s role in business is the subject of a forthcoming book, co-published by USINDO, by Lex Rieffel and Jaleswari Pramodhawardani, entitled *Out of Business and On Budget: The Challenge of Military Financing in Indonesia.*)

[The concluding luncheon presentation of the conference by Scot Marciel, Director of Maritime Southeast Asia Affairs, U.S. Department of State, was informal and off the record.]