

United States and Indonesia: Bilateral Relations and External Factors

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Dewi Fortuna Anwar
Key Note Speech

First, I would like to thank SAIS, USINDO and the Indonesia Embassy for organising today's conference and for the honour given to me to present the Key Note Speech. Recently there have been a number of forums organised in Washington, D.C. focusing on Indonesia, many of them by USINDO, reflecting the continuing interests that people here have about Indonesia.

The theme of today's discussion is the **United States and Indonesia: Bilateral Relations and External Factors**. Amongst the topics to be discussed are Indonesia's foreign policy, the democratisation process, the questions of Islam in Indonesian state and society, and labour issues as well as to look at how all of these aspects impinge on the broader Indonesia-US relations.

Ambassador La Porta has given me the daunting task of providing an overarching review of the whole topics of discussion. To quote: "Re Ibu Dewi—I would hope that she could give a big picture view of where Indonesia sees itself in ASEAN, the Asia region, the Middle East, what its hierarchy of interests are (Islam, trade, investment, economic integration, other political factors), and how this fits with US interests. I would hope she would be instructively critical of the US in the well known areas (Iraq, Palestine, Global War on Terror, perceptions of Islam) and look ahead as to what the US could/should do to right the current misperceptions/policy errors". It would clearly be impossible to address all of these important issues in the short time available now, and even if we have the time I do not feel equal to the task. I shall only try to answer some of the questions posed.

Indonesia's Foreign Policy Principles and Outlooks

- Michael Leifer once observed that Indonesia's foreign policy, particularly within its immediate regional environment, is characterized by both a sense of **vulnerability** and **regional entitlement**. A sense of vulnerability because of its long history of colonialisation and foreign occupation; its vast geographical expanse and fragmentation as the world's largest archipelago; its highly heterogeneous population and its still developing economy. At the same time Indonesia also has a sense of regional entitlement due to a number of factors: its history of a heroic struggle for independence; its vast geographic size and population; its natural riches and strategic location, as several important sea-lanes of communication pass through Indonesian waters. The combination of vulnerability and entitlement may indeed help to explain Indonesia's foreign policy formulation and implementation, both in the immediate region and in relations with external powers, especially the world major powers.

- **Independent and Active Foreign Policy Doctrine.** Since 1948 Indonesia has adhered to an “Independent and Active” Foreign Policy Doctrine. In the beginning this was a response to the Bipolar Cold War structure. Fearful that Indonesia’s hard-won independence would be compromised if it were to align itself to one or the other Bloc Power, Indonesia’s founding fathers decided to chart a more independent course in international relations. The adoption of an “Independent and Active” foreign policy doctrine clearly also reflected a sense of confidence that Indonesia could act independently of the Super Powers. The enunciation of Indonesia’s foreign policy doctrine took place 13 years earlier than the birth of the Non-Aligned Movement in 1961, of which Indonesia was one of the founding members. The “Independent and Active” doctrine has become the most important defining feature of Indonesia’s foreign policy that successive governments could not disregard with impunity. The fundamental characteristics of this doctrine are that Indonesia would not enter into military alliances or host foreign military bases on its soil. President Susilo Bambang Yudhoyono has redefined Indonesia’s independent and active foreign policy as entailing “independence of judgment” and “freedom of action”.
- **Wawasan Nusantara or Archipelagic Outlook.** Indonesia’s concern about its geographic fragmentation has led it to campaign hard for the international recognition of its Archipelagic-state status since 1957. With the coming into effect of the 1982 UN Convention on the Law of the Sea, all of the waters connecting the outer-most tips of the islands that make up the Republic of Indonesia are considered as internal waters, under Indonesia’s jurisdictions. UNCLOS also provides for extensive Exclusive Economic Zones (EEZ). While under UNCLOS freedoms of innocent passage in the internal waters are guaranteed, the security of these waters is primarily the responsibility of the governing state, something that Indonesia jealously guards.
- **An Autonomous South East Asian Regional Order.** South East Asian countries had been subjected to long periods of humiliating foreign rule, intra-regional divisions and conflicts driven by the rivalries of external powers. One of the long term objectives of Indonesia’s foreign and security outlook, which has informed its relations with its neighbours, is the desire to see the development of a more autonomous South East Asian regional order, free from the political and military interventions of external powers. The implementation of this long-term objective has evolved over time, from Sukarno’s “Konfrontasi” to Suharto’s regional cooperation, a New Order legacy which has been sustained during the current “Reformasi” period. The essence of this regional outlook is that regional members should develop the capacity towards ensuring their own security, instead of relying on the military protection of outside powers. This led to the introduction of the national and regional resilience concepts, which since 1976 have been adopted by ASEAN.

Please be assured that I shall not attempt to elaborate on the link between the above ideas and Indonesia’s foreign policy implementation from independence to the present day. I shall only try to look at how the underlying foreign policy principles and outlooks have informed current Indonesia’s relations with the outside world, with particular reference to Indonesia’s relations with the United States.

The most important thing to notice about Indonesia at the moment is that it seems to have put behind its inward looking posture which had characterized its foreign policy during the first difficult years after the fall of Suharto. With security and political stability restored, and with the relative success of its democratic consolidation, the first directly elected President, Susilo Bambang Yudhoyono, has taken the lead in restoring Indonesia’s regional and international role. To replace Indonesia’s battered image of chaos and conflicts during the period of multidimensional crisis, the Indonesian government is now actively propagating a new international image for Indonesia as the world’s **Third Largest Democracy, the Largest Muslim Nation with an Open Economy and a Modern Society.** Indonesia is projected as a country where Democracy, Islam and Modernity go hand in hand.

- **Foreign Policy Objectives.** Foreign Policy is meant to serve a country’s national interests, and as in other countries, there have been continuities as well as important new developments of Indonesia’s national

interests. I would argue that Indonesia’s current foreign policy has 4 major objectives: 1) to assist in Indonesia’s economic recovery and development by mobilizing foreign direct investment, seek market access for exports, strengthen Indonesia’s terms of trade and competitiveness, attract international tourism etc; 2) to help safeguard Indonesia’s national unity and territorial integrity by seeking guarantees and assurances from other governments, and to prevent neighbouring countries from being used as staging posts for hostile acts against Indonesia; 3) to mobilize external support for Indonesia’s democratic consolidation such as in governance reform, reform of the military and the police etc; 4) to contribute to regional and international peace with an appropriate role for Indonesia.

- **Foreign Policy hierarchy and priorities.** Throughout the New Order government Indonesia’s foreign policy followed the **concentric circles** formula, which contrasted with Sukarno’s earlier “Light House” foreign policy that tried to be a beacon to a much wider world. With a brief interlude of an “ecumenical” foreign policy under President Abdurrahman Wahid, Indonesia’s foreign policy since 2003 has again followed the concentric circles model. According to the concentric circles formula, Indonesia’s foreign policy priorities must start at home and address Indonesia’s immediate national objectives and needs, such as regional stability, territorial integrity and economic development. From there the foreign policy must prioritise the immediate neighbouring countries and regions and then cultivate relations with other parts of the world in lessening order of priorities the further the circles are from the core. The concentric circles, however, are not just geographical concepts. From the perspective of Indonesia’s economic interests relations with certain countries at further geographical distance may be more important than relations with Jakarta’s immediate neighbours. The current priorities of Indonesia’s foreign policy can probably be outlined as follows:
 - **ASEAN.** Since its establishment in 1967 ASEAN (Association of South East Asian Nations) has continued to be the cornerstone of Indonesia’s foreign policy. Indonesia wants to see the strengthening of ASEAN through the development of the ASEAN Community. Jakarta has especially espoused the establishment of an ASEAN Security Community. An ASEAN Community would be regarded as the realization of Indonesia’s long-term regional objective of an autonomous regional order. In the past, political and security considerations were the primary drivers of ASEAN, but lately economic considerations have taken the front seat. Although it lost its special position in ASEAN during the crisis years, Indonesia has generally been regarded as the first amongst equals within the Association
 - **Greater East Asia.** Since the 1997 financial crisis relations with the 3 economic powers in North East Asia, China, Japan and South Korea, have become increasingly important to Indonesia and ASEAN as a whole. The economies of South East and North East Asia are becoming more integrated, and there are moves to develop a wider East Asian community. While supporting the long-term objective of an East Asian community, Indonesia’s immediate priority remains the internal consolidation of ASEAN. Jakarta has expressed concerns over precipitate wider community building which may dilute ASEAN and opens the way for China to dominate the whole region. Indonesia has remained a proponent of open regionalism and supported the inclusion of Australia, India and New Zealand in the East Asian Summit which met for the first time in Kuala Lumpur in December 2005. The idea behind the widening of the EAS membership is to provide countervailing forces so that no one member can become too dominant.
 - **Relations with key bilateral partners.** Besides the on-going regional mechanisms Indonesia has also prioritized certain bilateral relations for political, security and/or economic reasons. Within ASEAN, relations with Malaysia and Singapore have special importance for Jakarta. Australia is also becoming more important to Indonesia, primarily due to security considerations. All three major North East Asian countries (China, Japan and South Korea) are of critical importance to Indonesia, mostly for their economic roles, but Indonesia’s increasingly warm relations with China are quite noteworthy. China is recognized as an up-and-coming great power with multidimensional regional and global interests, yet at the same time Indonesia still remains

generally wary of China's rise. As the sole remaining superpower the US is recognized as an indispensable power with which Indonesia should as far as possible maintain good relations, but within the boundaries of certain domestic constraints. Indonesia's relations with India are also on the rise as India's economy begins to grow. Jakarta has also developed close relations with the European Union and its key members, such as with Britain, Germany and France. Except in a few cases, economic considerations have underlined most of these key bilateral relations. Indonesia continues to be on the look-out for new economic opportunities, such as by paying more attention to relations with the oil-rich countries in the Middle East.

- **Third World Solidarity.** Another important theme of Indonesia's foreign policy has been and continues to be solidarity with other developing countries. Indonesia continues to be an active member of various organizations such as the Non-Aligned Movement, the Group of 15 countries, the D 8, and the Organisation of Islamic Conference. The main objectives of these organisations are to improve cooperation amongst the members, particularly in social and economic areas, and to improve their collective bargaining power in international fora.
- **Promoting a more equitable, rule-based multilateral international system.** From the early days of its independence Indonesia had refused to be subjected to a bi-polar world order, and has since been one of the most outspoken opponents of any forms of Unilateralism in international affairs. To Indonesia and other developing countries, a multilateral international system would better protect the interests of the weaker members. Indonesia's involvement in various regional and Third World organizations are partly intended to create more international space and roles for developing countries in a global system still dominated by a few military and economic powers. Reform of the United Nations has remained a long-term goal of Indonesia's foreign policy. Ensuring fair and equitable treatment of all members of the UN is also an enduring goal of Indonesia's foreign policy, so that adherence to international obligations should be applied equally across the board without exceptions or selectivity.
- **Contributing to regional and international peace.** The Preamble of 1945 Constitution stipulates that Indonesia has an obligation to contribute to world peace, a stipulation that Indonesia takes seriously, within the limited means that it has. Indonesia regularly sends peace-keeping forces to conflict areas under the auspices of the UN and offers its good offices to mediate conflicts. Currently Indonesia has peace-keeping troops in Lebanon and is playing an active role in promoting inter-faith dialogues between Islam and Christianity, as well as between various Muslims groups. On 4-6th April 2007 Indonesia hosted a dialogue amongst Sunni and Shiite religious leaders. With its new credentials as the world largest Muslim democracy Indonesia sees itself as a bridge between the Muslim world and the West, as well as a possible role model for other Muslim countries where the values of Islam, democracy and modernity often seem to be at odd with each another.
- **Indonesia's relations with the United States.** Finally I would like to touch briefly on Indonesia's relations with the United States. I would characterize the relations between the two countries as being so close yet so far. At one level the bilateral relations between Jakarta and Washington are at their best ever, yet at another level the chasm seems to be unbridgeable. To some extent the current situation is similar to the late Cold War period, except in reverse. During the Cold War the government in Washington was close to Suharto's New Order government because of the latter's anti-communism, but the wider American public abhorred the Suharto regime for its authoritarianism and widespread human rights abuses. The US Congress and various civil society organisations used to put pressure on the Administration not to coddle the Suharto regime. Today, the Indonesian government places a high priority on maintaining good relations with Washington for various reasons, notably to secure foreign investment and market access as well as to assist in Indonesia's defence modernization and democratic consolidation. Yet at the same time, the US actions during the past few years, particularly its foreign policy, have alienated vast segments of Indonesia's population so that Jakarta's increasingly close

relations with Washington have come under intense public criticisms throughout Indonesia. Certain aspects of American foreign policy conducts also conflict fundamentally with Indonesia’s principles and basic outlook.

- **Israeli-Palestinian Issue.** The positions of Indonesia and the US states have been on the opposite side since the establishment of the State of Israel on Palestinian territory in 1948. Indonesia has refused to give diplomatic recognitions to Israel until an independent and sovereign Palestinian state is established. The official stance of the Indonesian government from the beginning is that its support for Palestine has less to do with sympathy for fellow Muslims and is more related to its opposition to foreign occupation, a position dictated by the first line of the Preamble to the 1945 Constitution. To the Indonesian Muslim public as a whole, however, solidarity with the Palestinian state has mostly been driven by co-religionist sympathy. Although the Israeli-Palestinian issue had not posed an insurmountable obstacle in Indonesia-US bilateral relations, this issue until recently was the single most important policy difference that at times fed suspicions and conspiracy theories amongst Indonesians about the US intentions and role in world affairs.
- **Converging domestic and regional interests.** Despite differences over the Israel-Palestine issue there has been substantive convergence of values and interests between Indonesia and the United States in recent years. At the domestic level, Indonesia’s democratic transition has narrowed the value gap between Indonesians and Americans. Indonesians mostly looked to the US for political models when we crafted the changes that would strengthen the democratic check and balance. The introduction of a full presidential system, the clear separation of power between the 3 branches of government, the two-house national legislative system, a wide-ranging regional-autonomy, an American-style rough and tumble electoral process—to name but a few of the “Americanisation” that have taken place---- should have drawn our two governments and societies closer together than before. At the same time, the US has always been supportive of Indonesia’s regional role since the onset of the New Order government in 1966—Jakarta and Washington after all used to share similar views about the threats from China, and neither wants to see the emergence of any hegemonic regional power.
- **Global War on Terror.** The promising outlook that relations between Indonesia and the US would become much closer, not just at the governmental level but also at the societal level, hit a roadblock with President George W. Bush’s crusading “global war on terror” in the wake of the 11th September 2001 terrorist attacks in New York and Washington, DC. Certain features of the GWOT alienated Muslims throughout the world, including in Indonesia. 1) early public rhetoric of US policy makers and countless media reports tarred Islam and Muslims as a whole with the terrorist brush—the terrorists are Muslims, therefore Islam is the religion of terrorists; 2) introduction of the Patriot Act and treatment of Muslims or anybody with Middle Eastern appearance in the US or attempting to enter the US confirmed the general view that Islam and Muslims as a whole are regarded as enemies of the American people; 3) the use of the word “crusade” by President Bush during the early days of the GWOT reinforced the image of an ongoing global conflict between Christianity and Islam. The verbiage of suspicions and hostility towards Islam and Muslims that came out of the Western media in general and from US leaders in particular led to similar negative reactions amongst Muslims worldwide. Instead of inviting all religions to stand together shoulder-to-shoulder to counter the threats of extremist and radical groups, the early conduct of the GWOT put Muslims of all persuasions in defensive position. The situation has since improved for the better, but the early damage has been incalculable.
- **US Unilateralism-invasions of Afghanistan and Iraq.** I do not wish to dwell too long on these subjects since every thing that needs to be said have appeared on American media in the past couple of months. More than Afghanistan, the US unilateral invasion and occupation of Iraq (albeit together with the so-called coalition of the willing) under the pretext of finding Saddam

Hussein’s WMD which turned out did not really exist, has been the single most damaging act to the US international image and standing. Here again, there have been different takes on the subject between the Indonesian government and the general Indonesian public. To the government in Jakarta the issue has always been US unilateralism, made even more dangerous and unacceptable by President Bush’s doctrine of pre-emptive strike. As has been mentioned earlier Indonesia is a strong supporter of the multilateral system and the central role of the United Nations. To the general Indonesian public, however, the US invasion of Iraq, another Muslim country, is further proof of American hostility towards Islam and the fear that Washington has a hidden agenda of wanting to subjugate the whole Muslim world.

- **Complications in US-Indonesia relations.** The deep seated and widespread hostility towards the US, or more specifically towards the Bush administration, amongst the general Indonesian public have caused complications and difficulties for the Indonesian government. The government in Jakarta has on the whole remained true to its foreign policy principles—it opposed the US unilateral attacks against Afghanistan and Iraq. Indonesia also refused to join the PSI (Proliferation Security Initiative), which would allow members of the coalition to interdict ships suspected of carrying nuclear materials at sea. Besides its opposition to the creation of a self-anointed international maritime police, Indonesia is also concerned about permitting foreign military operation in its internal waters. Yet the Yudhoyono government, and the Megawati government before it, have been accused of caving in to US pressure, of lacking in independence and of selling Indonesia’s national interests in exchange for American financial and technical assistance. US assistance to the Indonesian military and police to strengthen Jakarta’s capacity to deal with terrorist threats had been viewed with great suspicion that the Indonesian government would again pursue a New Order style anti-Islamic agenda. Indonesia’s support for the recent UN Security Council Resolution against Iran has led to demonstrations against the government in Jakarta. The question of Iran’s violations of NPT has been drowned out in Indonesia by the drumbeat of war against Iran that has been coming from Washington. Such is the general mistrust towards Washington that for many Indonesians any policy that put Indonesia on the same side with the US must be immediately suspect. This situation is clearly putting a tremendous constraint on Indonesia’s foreign policy.
- **The Way Ahead.** It has been said that in order to change the image we must change the reality. As long as the US occupation of Iraq continues and conflicts in that unfortunate country continues to fill newspaper headlines across the world, there is very little that the Bush government can do to improve the US international image and standing. The Bush government has been too closely associated with most of the policies that led to the current problems. It is not just the song, but the singer, that makes people turn off their TV. However, the greatest asset that the American people have is that the US political system has a built-in renewable mechanism. The American democratic process which over time will bring in new leaders and new policies would undoubtedly come to the rescue. The debates and policy differences in Washington are followed closely around the world, including in Indonesia, clearly demonstrating that Indonesians’ unhappiness with President Bush’s policy in Iraq is shared by a wide spectrum of Americans. Regime change in Washington in the not too distant future may offer a way out, especially if the US again becomes a strong supporter of a more rule-based multilateral international system, and counts success by the many opponents it can win over, not by the number of enemies it has killed. ***