



## ANALYSIS

# Indonesian foreign policy under President Jokowi

Aaron L. Connelly

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## EXECUTIVE SUMMARY

New Indonesian president Joko Widodo's inexperience in foreign affairs and his focus on domestic issues will see him delegate decisions on foreign and security policy to his key advisers. This will result in increased competition between the institutions those advisers lead. On issues where a consensus does not emerge, this competition will make it more difficult for Indonesian foreign policy-makers to define a clear position.

Jokowi's closest advisers on foreign and security policy are sophisticated and internationalist, with significant experience abroad. But others, including members of his own party and the foreign ministry, take more nationalist stances on specific issues. Indonesian foreign policy is likely to remain independent but Western-leaning, in accordance with a broad consensus in Jakarta. But more nationalist voices could achieve greater influence over Indonesian foreign policy at the margins, and on isolated issues that capture the imagination of the political and diplomatic elite. Against this backdrop, Australia may find it more difficult to manage crises in the bilateral relationship.

On 20 October, President Susilo Bambang Yudhoyono (SBY) will retire to his residence at Cikeas in the hills south of Jakarta. His successor, Jakarta Governor Joko Widodo, comes into office without the benefit of SBY's decades of experience in military and foreign affairs. Yet just three weeks after taking office, Jokowi, as the president-elect is known, is expected to attend his first series of international summits, in Beijing, Naypyitaw, and Brisbane.<sup>1</sup> What can we expect in world affairs from a man who was, just over two years ago, the mayor of the small city of Surakarta?

This paper first outlines the role that SBY played in Indonesian foreign policy in order to illustrate the void that he leaves behind. It then reviews Jokowi's statements on foreign affairs and argues that his lack of experience on the world stage — and more importantly, his lack of experience in the institutions that implement Indonesian foreign policy — will lead to greater competition over foreign policy in Jakarta. On issues where a consensus does not emerge, this competition will make it more difficult for Indonesian foreign policy-makers to define a clear position. This paper also identifies the key people providing advice to Jokowi on foreign policy, and how they might influence his views. Finally, it explores how this context might affect Indonesia's view of its place in the Indo-Pacific region, its approach to the South China Sea dispute, and its relationship with Australia.

## SBY'S DEPARTURE LEAVES A VOID

When SBY vacates the State Palace on 20 October, he will leave a void in Indonesia's foreign policy-making system. SBY was Indonesia's indisputable leader on foreign policy, relying on his interest and experience in the subject, institutional reforms, and his military seniority to assert full control of a previously unwieldy foreign policy apparatus.

Throughout his long army career, SBY showed keen interest in foreign policy. Early in his presidency, he strove to position himself as an international statesman and foreign policy intellectual. In his first term, he redefined Indonesia's view of its place in the international system as a country with "a thousand friends and zero enemies" and an "all directions foreign policy."<sup>2</sup> He sought to improve ties with both the United States and China, but also made a show of diplomacy with Iran and North Korea.<sup>3</sup> He pursued warmer relations with neighbouring countries, including Australia, Singapore, and Malaysia, resisting demands from the bureaucracy and legislature that he take a harder line in various disputes.

SBY also led institutional reforms that consolidated foreign policy-making in the Ministry of Foreign Affairs and the State Palace, thereby

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eliminating institutional competition over foreign policy between the military and the foreign ministry.<sup>4</sup> During the New Order period, as Suharto's rule is known, foreign policy had been the province of the president and several key advisers, most of whom were current or former officers in the Indonesian armed forces (TNI). The military had also effectively controlled the foreign ministry, filling many key positions in the ministry and ambassadorships overseas with generals.<sup>5</sup> Though the military began to withdraw from politics in 1998, generals remained in high-ranking diplomatic posts for several more years, retaining influence over important decisions and leading to policy disagreements between leading generals and diplomats.<sup>6</sup>

SBY continued a process begun under Hassan Wirajuda, whom he retained as foreign minister when he succeeded President Megawati Sukarnoputri, to shift responsibility for foreign policy from the military to the foreign ministry, and to professionalise the diplomatic corps. In doing so, the former general turned president made clear that, in a democratic Indonesia, the military would be subordinate to the foreign ministry on matters of diplomacy.

To drive his foreign policy agenda, SBY transformed the sleepy foreign affairs unit in the State Palace, which housed only an interpreter and translator under his predecessor, into an engine of diplomatic engagement.<sup>7</sup> The unit, then known as the Presidential Staff for Foreign Affairs, or SPHI, was led during SBY's first term by his confidante Dino Patti Djalal.<sup>8</sup>

Dino was a professional diplomat who held the humble title of 'presidential spokesman for foreign affairs', but acted as the president's closest foreign policy adviser.<sup>9</sup> His staff of hand-picked young diplomats, backed by the president's imprimatur, exercised extraordinary influence.<sup>10</sup> Yet SPHI also functioned as an outpost of the foreign ministry in the Palace, further elevating the ministry above other voices, particularly the military, in the conduct of foreign affairs.

Though SBY pushed for greater civilian control of foreign policy in office, his own military seniority allowed him a greater degree of deference as he presided over these changes. As a graduate of the 1973 class of the Indonesian Armed Forces Academy, SBY was senior to generals who graduated from later classes, many of whom he appointed to the armed forces staff or as cabinet ministers during his presidency. His seniority offered him a degree of deference above and beyond that due his office.<sup>11</sup>

We should not overstate SBY's foreign policy record. Though Indonesia under SBY was widely perceived to have become a rising power and an important emerging market, many of these accolades came Indonesia's way due to its size and strong economic performance. Indeed, SBY's foreign policy vision was often short on details, and like many of his domestic policies, avoided hard choices. (A vision of "a thousand friends

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and zero enemies” and an “all directions foreign policy” avoids hard choices by definition.) These policies were part of an approach to diplomacy that prioritised the promotion of Indonesia’s profile overseas ahead of progress on thorny issues in world affairs.

Yet within Jakarta, SBY reduced the scope for institutional disagreements by placing the foreign ministry in the lead. When institutional positions conflicted with SBY’s vision of Indonesia’s role in the world, SBY could be seen to overrule ministers and generals with whom he disagreed, a prerogative that he exercised far less frequently in domestic affairs. For example, SBY overruled his foreign minister, Marty Natalegawa, in sending Ambassador Nadjib Riphath Kesoema back to Canberra in May 2014, having withdrawn him six months earlier in the wake of the release of documents that alleged that Australia had eavesdropped on Indonesian officials.<sup>12</sup> With regards to the military, early in SBY’s presidency he withdrew the appointment, made by his predecessor, of General Ryamizard Ryacudu to be head of the armed forces. SBY and Ryamizard had repeatedly clashed over the approach to the issue of Aceh, with Ryamizard favoring a harder line and SBY preferring a negotiated solution.<sup>13</sup>

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For ten years, SBY comfortably presided over the making of Indonesian foreign policy. His departure now leaves a large hole that Jokowi will struggle to fill.

## FACE OF THE VILLAGE, INTERNATIONAL BRAIN

Jokowi represents a new model of political advancement in Indonesia. Unlike his six predecessors, Jokowi did not rise to the presidency through the military or the political party systems. Jokowi’s rise began in 2005, when the successful entrepreneur was recruited by fellow business leaders to run for mayor of his hometown of Surakarta.<sup>14</sup>

“For 24 years, I exported furniture”, Jokowi told business leaders in Jakarta earlier this year. “I may have the face of someone who comes from the village, but I have an international brain.”<sup>15</sup> The business that Jokowi founded in 1988 prospered over time, and his travels often took him to Europe, the United States, and Australia. He learned halting English. He sent his sons to school in Singapore and Australia, where his oldest received a business diploma after two years at the University of Technology in Sydney. But while Jokowi’s success offered him a glimpse of the world beyond Indonesia, he was never a member of the cosmopolitan but cozy Jakarta business elite, with its strong political connections. Rather, it was his turn leading his hometown, population 500,000, which set him on a path to the presidential palace.

As mayor of Surakarta, Jokowi slowly built consensus for his policies, winning over sceptical constituents and bureaucrats in order to build a public transportation system and clear out slums. In 2012, supported by

tycoons and political leaders eager to harness the enthusiasm that Jokowi's success in Surakarta had engendered, he successfully challenged an old guard incumbent to become governor of the sprawling capital, Jakarta, a city of 10 million. He immediately set about improving city government, rolling out a city-wide healthcare scheme and finally starting work on a long-awaited urban rail system.

As soon as he was elected governor of Jakarta the press began to speak of him as a potential presidential contender. He began his presidential election campaign in 2014 with strong backing in the polls. But that lead was whittled away by his opponent, retired Lt. General Prabowo Subianto. Prabowo's well-funded and well-organised campaign outpaced and outsmarted Jokowi at several turns. Nevertheless, Jokowi eventually prevailed. Exit polls later showed that Jokowi outperformed Prabowo in rural areas, where Prabowo's populist message did not have its hoped-for effect. Jokowi's humble origins and demeanor — the face from the village, rather than an international brain, in his words — put him over the top.

## JOKOWI WILL LEAVE FOREIGN POLICY TO HIS ADVISERS

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Jokowi is new to the practice of diplomacy. He does not appear to come to the presidency with any strong views about Indonesia's place in the world, or any particular passion for the subject. Jokowi sees himself primarily as a domestic reformer, not an international statesman. And indeed, the domestic reforms that he has advocated in the areas of infrastructure and the fight against corruption, if executed, would enable economic growth that would allow Indonesia to play a much greater role in world affairs.<sup>16</sup> Yet his focus on domestic issues, combined with strong opposition from an opposition coalition in the Indonesian legislature, have left him little time for foreign policy. Instead, he has relied upon some of Indonesia's strongest minds in foreign affairs to provide him with a ready-made vision of Indonesia's place in the region and international relations.

In May, Jokowi's foreign policy team provided an early look at how they would approach foreign policy. His campaign released a detailed *visi-misi* or 'vision and mission' statement in fulfilment of the requirements to register a presidential candidacy.<sup>17</sup> Like leaders leaving behind election manifestos the world over, Jokowi is unlikely to feel bound by the document once in office, but it is a good place to start in attempting to understand his advisers' concerns. Although the *visi-misi* statement lacks anything in the way of grand strategy or a vision of Indonesia's role amidst great power rivalry, it does include a list of foreign policy priorities.

The statement lists Jokowi's four foreign policy priorities as 1) promoting Indonesia's identity as an archipelagic state, 2) enhancing the global role of middle power diplomacy, 3) expanding engagement in the Indo-

Pacific region, and 4) further reform of the foreign ministry to emphasise economic diplomacy — support Jokowi would have no doubt liked to have received when he was a furniture exporter. Elsewhere in the document, Jokowi committed his administration to increasing the defence budget to 1.5 per cent of GDP from its current 0.8 per cent — though he later conditioned that increase on 7 per cent GDP growth, which seems unlikely as Indonesia's economy continues to cool from its recent height of 6.5 per cent.

Throughout his campaign Jokowi also placed a particular emphasis on maritime issues.<sup>18</sup> He reinforced that emphasis in his most prominent remarks on foreign policy during the campaign, at the 22 June foreign policy debate, arguing that Indonesia should function as a “global maritime axis”, a proposal derivative of his focus on increasing maritime commerce within the archipelago. It is a slogan that his advisers are now working to fill out with substantive policy recommendations. Among those recommendations are likely to be the elevation of the Indian Ocean Rim Association (IORA) annual meeting to a leaders' summit, which Indonesia is set to chair in 2015. Indonesian diplomats believe that IORA could be an “APEC for the Indian Ocean”, but there are obstacles to turning it into a useful organisation, particularly its checkered membership around the region, and the lack of a pressing mission.<sup>19</sup>

Jokowi has repeated the broad vision laid out in his *visi-misi* statement in debates and interviews, but he occasionally stumbles through explanations of it, and there is no evidence of any deeply held commitment to it. He is unlikely to expend any significant energy in international diplomacy or in arbitrating internal debates over Indonesian foreign policy, particularly in a challenging domestic political environment that will demand all of his attention.

As a result, for the first time in ten years, the Indonesian state will lack a paramount policy-maker on foreign affairs at its apex. In the space vacated by SBY but not assumed by Jokowi, disagreements over foreign policy within the Cabinet are likely to be litigated more vigorously and openly than in the past, leading to decreased clarity on policies where no consensus emerges. It is important, then, to understand the people advising Jokowi.

## A PREVIEW OF JOKOWI'S TEAM

As Jokowi learns more about foreign affairs through the practice of it, he may come to his own views on the subject. But until he does, he will rely upon a team of advisers for foreign policy advice. They include long-time political supporters with expertise in the area, academics recruited to tutor Jokowi as he prepared his candidacy, the leadership of Jokowi's political party, an experienced vice president, military leaders, and professional diplomats.

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### LUHUT PANJAITAN, JOKOWI'S OLDEST SUPPORTER

Jokowi's closest adviser on national security matters is General (Ret.) Luhut Panjaitan. Luhut was a special forces (Kopassus) commander during the New Order, who developed a particular expertise in counter-terrorism, becoming the first leader of the elite counter-terrorism unit Detachment 81 in the 1980s.

After the fall of Suharto, Luhut briefly served as ambassador to Singapore and minister of trade and industry under President Abdurrahman Wahid. He arrived in Singapore when tensions between Indonesia and Singapore were at a high. Nevertheless, Singaporean diplomats have praised Luhut's approach to diplomacy with Indonesia's neighbours as reasonable and cooperative.

Although Luhut was asked to stay on after Megawati became president, he decided to leave government to found a resources business instead. As that business became highly successful, he became involved in Golkar Party politics, rising to become deputy chairman of its board from 2008-2014. (Golkar was once the party of Suharto, but now exists as one of three large nationalist — as opposed to Islamic-based — parties.) He resigned in May 2014 after Golkar backed the candidacy of Prabowo, with whom he had a long rivalry in the military.

Luhut's relationship with Jokowi goes back further than any of Jokowi's other advisers on foreign affairs and national security. In 2008, Luhut was looking for someone who could turn raw timber from his forestry concession in Kalimantan into finished products. An acquaintance introduced him to a furniture exporter who had recently been elected mayor of Surakarta. Luhut could not have known at the time that Jokowi would become the President of the Republic just six years later, but he has supported him throughout. His financial largesse kept Jokowi's presidential campaign afloat. When Jokowi declared victory in front of the Proklamasi Statue on 9 July, Luhut stood beside him.

Luhut will remain influential with Jokowi whether or not he takes a Cabinet post. He would be a likely candidate to become Coordinating Minister for Politics, Law, and the Economy, a post that has traditionally been occupied by retired generals. There is talk in Jakarta of giving coordinating ministers greater authority over line ministries — in this case, the Ministries of Defence and Foreign Affairs — which would make them significantly more powerful. The post's counter-terrorism focus under SBY would suit Luhut's background, although it is not clear that its next occupant would retain those roles.

Wherever Luhut lands, he is likely to be a key interlocutor for officials from neighbouring countries, particularly Australia, Singapore and Malaysia, as all four begin to confront the threat of Southeast Asian and Australian jihadists returning from the Middle East.

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## RIZAL SUKMA HAS THE EAR OF THE PRESIDENT

Jokowi's surprisingly strong performance in the campaign's only foreign policy debate can largely be attributed to the advice provided by Rizal Sukma, the executive director of the Centre for Strategic and International Studies (CSIS) in Jakarta. Sukma tutored Jokowi for months on foreign policy issues as a member of the group of academics known as 'Team 11' that began preparing Jokowi for a run at the presidency months before his candidacy was announced, and conducted preparation sessions in the days leading up to the debate. He also played a leading role in crafting the foreign policy sections of Jokowi's *visi-misi* statement.

Sukma is well known to foreign diplomats and think tankers in world capitals, who often praise his unsentimental approach to international relations and his forthright speaking style. As the executive director of CSIS, Sukma was able to tap the expertise within his organisation in preparing Jokowi for the presidency. He is likely to continue to do so as he advises Jokowi in government.

Although Sukma is often talked about as a potential foreign minister, those close to him say that he is ambivalent about taking up a role at the head of an unwieldy bureaucracy. Indonesian diplomats have also expressed apprehension at the prospect of being led by someone who did not rise up through their ranks, suggesting Sukma would struggle to gain acceptance from the ministry's senior leadership.<sup>20</sup> A more likely role for Sukma would be as a senior adviser, perhaps in the State Palace, leading a small staff advising Jokowi on foreign affairs.

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## SENIOR DIPLOMATS OF THE FOREIGN MINISTRY VIE FOR PRE-EMINENCE

The next foreign minister is more likely to come from the professional diplomatic corps, particularly a group of Hassan Wirajuda protégés known as 'Hassan's Boys'. This group, which includes incumbent foreign minister Marty Natalegawa, was promoted quickly by Wirajuda during his eight-year tenure as foreign minister.<sup>21</sup>

Within the group, Indonesian diplomats often distinguish between those with legal training, like Wirajuda himself, and those with international relations training, like Natalegawa. It is possible that Natalegawa could remain in office for a period of weeks following Jokowi's inauguration to ensure Indonesia's successful participation in the series of international summits that begin three weeks after Jokowi takes office. But over the past few months, a number of diplomats who served under Natalegawa have objected to his leadership style, and he is said to lack a strong supporter within Jokowi's inner circle.<sup>22</sup>

If the next foreign minister is a lawyer, it may very well be Indonesia's ambassador to the European Union, Arif Havas Oegroseno. Though

Havas was dispatched to Brussels shortly after Natalegawa was named foreign minister, he previously served as Wirajuda's point man on international maritime negotiations, an area of critical importance to an archipelagic state with long-standing preoccupations regarding depredations on its sovereignty. As a change in Cabinet has neared, Havas has sought to raise his profile in Jakarta through a series of op-eds and public appearances.

Havas and the legalists in the foreign ministry approach diplomatic problems as legal problems, which can frustrate Western diplomats who espouse a realist approach to international relations, or who are interested in a more transactional relationship. But as foreign minister, he would be a strong voice for international law in a region where much of the debate about the rise of China turns on its disrespect for international law in the South China Sea.

#### PDI-P STALWARTS RELY ON MEGAWATI'S INFLUENCE

Jokowi is a member of the Indonesian Democratic Party of Struggle, led by Megawati Sukarnoputri. While Megawati and other leaders of the party are generally adherents of the status quo in the regional order, they often look to her father and Indonesia's founding president, Sukarno, for rhetorical inspiration. Sukarno was president at a very different time, when Indonesia's struggle for independence and tensions with its neighbours defined its foreign policy. As a result, the view of Indonesia's place in the world espoused by Megawati and PDI-P members can often seem more adversarial toward the West than it really is.

There is widespread debate within Jakarta regarding the level of influence that Megawati and other PDI-P stalwarts will wield in Jokowi's administration. During the election campaign, she and her daughter Puan Maharani, who leads PDI-P's caucus in the legislature, sought to minimise Jokowi's role in decision-making. Megawati told a press conference on the eve of the campaign that Jokowi was merely an official of the party tasked with carrying out its ideology, a statement that contributed to widespread concerns among the electorate that Jokowi was a 'puppet candidate'.<sup>23</sup>

While Megawati is unlikely to advocate for specific policies, she does want to be seen as the party's matriarch and a senior statesman. She may also seek to place loyalists in key positions as a means of entrenching her patronage networks in the Jokowi administration. She appears to have enjoyed early success in this effort, manoeuvring her former trade minister, Rini Soemarno, to the head of Jokowi's transition team. While people close to Jokowi have repeatedly suggested that he would begin to push back against Megawati's personnel choices as he came closer to assuming power, there has been little evidence of that so far.<sup>24</sup>

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Several former military officers close to Megawati have held advisory roles on the campaign and transition teams, among them Ryamizard Ryacudu, who served as commander of the Army under Megawati, and A.M. Hendropriyono, who served as her intelligence chief. Human rights activists have raised concerns about both, citing their hard line against separatism and dissent when they were in office.<sup>25</sup> They do not, however, appear to have had any appreciable effect on Jokowi's thinking or public statements.

Much more consequential has been the contribution of Andi Widjajanto, formerly a defence scholar at the University of Indonesia who resigned his position to lead Jokowi's campaign team. He currently serves as one of the deputies on the transition team for defence and security matters. Andi's father was a loyal aide to Megawati. His dying wish was that his son should help PDI-P recapture the presidency. Nevertheless, Andi's credentials extend beyond lineage, as one of Indonesia's most prominent advocates of the transformation of TNI.

#### JUSUF KALLA, AN EXPERIENCED VICE PRESIDENT

Jusuf Kalla returns to the vice presidency, which he held from 2004-2009, after five years. Jokowi would be wise to use Kalla, a veteran deal-maker who served as the chairman of Golkar while vice president, to negotiate difficult deals with an obstructionist legislature. But people close to the two men say that Jokowi has reined in Kalla, fearful that his deals — which by their very nature protect or advance rival politicians' political or economic interests — are unethical, and will thus dilute Jokowi's moral authority.

If Jokowi refuses to allow Kalla to make deals in the legislature, Kalla may turn to another area of interest, foreign affairs. As vice president, Kalla played a major role in the conclusion of the peace agreement in Aceh. Since then, he has offered his good offices as a peacemaker to opposing sides in conflicts in Southern Thailand, the Philippine island of Mindanao, and Myanmar's Rakhine State, as well — all areas with large Muslim populations that suffer from sectarian violence.

#### THE APRIL 2014 SOUTH CHINA SEA DEBATE

A policy dispute that erupted in April between the foreign ministry and the military over Indonesian policy on the South China Sea provides a preview of disagreements that are likely to emerge under Jokowi. It is worthwhile, therefore, to take a closer look at the dynamics of that dispute to understand what might be in store under Jokowi.

As Chinese behaviour in the South China Sea has become increasingly assertive, Indonesia has sought to facilitate dialogue between the claimant states, China, Taiwan, Vietnam, the Philippines, Brunei and Malaysia.<sup>26</sup> Jakarta's role in the South China Sea is often cited as an example of Indonesian leadership in regional affairs. Yet Indonesia must

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manage its own tensions with China regarding its behaviour in the South China Sea in the waters off the Natuna Islands, which are part of Indonesia's Riau Islands province, and form the southern limit of the South China Sea.

Though China does not claim Natuna (unlike islands off the Vietnamese, Philippine, Brunei, and Malaysian coasts) Beijing has articulated a claim to the waters off the coast of Natuna, which Indonesia claims as its exclusive economic zone (EEZ). Indonesian attempts to enforce its fisheries law in these waters have been met with Chinese opposition. Several times over the past four years, Chinese Fisheries Law Enforcement Command (FLEC) vessels are reported to have threatened the use of force against Indonesian law enforcement vessels to compel the release of Chinese fishermen in its claimed EEZ.<sup>27</sup>

In general, the foreign ministry's practice has been to downplay tensions rather than allow them to complicate its efforts to facilitate dialogue among the claimant states. Indonesia has noted the questionable legality of China's claim to what Beijing terms 'territorial waters' and, in 2010, requested clarification from Beijing regarding these claims.<sup>28</sup> No response has been forthcoming.

In the first few months of 2014, the TNI announced plans to deploy fighter jets and attack helicopters to Natuna.<sup>29</sup> Air Commodore Fahu Zaini, on the staff of the Coordinating Minister for Political, Legal, and Security Affairs, made clear that the deployments were in response to Chinese claims.<sup>30</sup> Yet when Natalegawa was asked about the moves, he repeated long-standing Indonesian policy, denying that Indonesia and China had any territorial disputes, and even citing Indonesian efforts to attract Chinese investment to Natuna.<sup>31</sup>

In normal times under SBY, Natalegawa's comments would have settled the debate. But with the end of SBY's tenure just six months away, and a number of senior officials in his administration angling for a place in post-SBY Jakarta, SBY's grip on the foreign policy apparatus began to loosen. On 24 April, the commander of TNI, General Moeldoko — rumoured at the time to be under consideration as Jokowi's vice-presidential nominee — wrote an op-ed for *The Wall Street Journal* outlining a more hawkish position on the South China Sea.<sup>32</sup>

Moeldoko wrote that Indonesia was "dismayed... that China has included parts of the Natuna Islands within the nine-dash line."<sup>33</sup> Despite the preceding controversy, Moeldoko did not consult the president or the foreign minister prior to publication.<sup>34</sup> Senior Indonesian diplomats expressed dismay at the op-ed's appearance and its erroneous analysis, although the president declined to step in to clarify the Indonesian position.<sup>35</sup> When asked to explain Indonesian policy on the dispute, diplomats and defence officials in Jakarta give varying weight to the TNI and foreign ministry positions.<sup>36</sup>

Moeldoko's tenure as head of the Armed Forces is scheduled to come to an end next year when he reaches the mandatory retirement age of 58 in July 2015, although it could be extended. While his replacement may be less outspoken about Indonesian rights in the South China Sea, the underlying difference in emphasis regarding the nature of Indonesia's South China Sea problem will remain.

Jokowi's *visi-misi* statement commits him to ensuring the integrity of Indonesia's maritime sovereignty and to securing marine resources in its EEZ, while also committing him to dampening maritime rivalry among the great powers and to peaceful settlement of disputes. This position struggles to integrate both the TNI and the foreign ministry's approach to the issue, signaling less tolerance for Chinese encroachment in the Indonesian EEZ, while seeking to remain an honest broker in the broader dispute.

When the question has been put directly to Jokowi, his answers have varied. When asked about the issue in a presidential debate, Jokowi said that Indonesia had no claims in the area, and that it should only intervene if it could propose a solution to the problem. In later interviews, he has hewed closer to the foreign ministry line, saying that he would like to see Indonesia serve as an 'honest broker' in the South China Sea. Both the nuanced *visi-misi* statement and varying interview answers since then are likely to raise further uncertainty regarding Indonesian policy.

Meanwhile, Prabowo has pushed the military line regarding the dispute. Prabowo's coalition has already begun to pressure Jokowi on domestic issues in the legislature, where a coalition of parties that supported his candidacy have a significant number of seats. He can be expected to do the same on foreign and security policy, where he is perceived to have an advantage because of his military background.

Disagreements between military brass and foreign ministries are commonplace around the world, but rarely are they aired so openly on such a critical issue. Without a strong hand at the top of the Indonesian foreign policy-making system to settle such disputes, we are likely to see many more of them under President-elect Jokowi. Amidst this greater turbidity, Indonesian leadership in regional affairs will take a hit.

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## TENSION IN INDONESIAN FOREIGN POLICY

Much of the debate in Indonesian foreign policy turns on the participants' interpretation of a dictum from Mohammed Hatta, Indonesia's first vice president, that Indonesia's foreign policy should be "independent and active". The dictum — so malleable that it was able to serve both the revisionist and stridently anti-imperialist first president, Sukarno, and his successor, the fiercely anti-communist Suharto — is still generally accepted as the foundation of Indonesian foreign policy.

Yet there is a tension between its two parts for a middle power such as Indonesia; a more active role in global affairs often requires close alignment with a great power. Typically nationalist leaders have chosen independence, or non-alignment, at the cost of more effective diplomacy, while pragmatic leaders have chosen to play a more active role in foreign affairs while aligning more closely with the West. This tension can be seen among Jokowi's advisers, as well.

Jokowi's closest advisers, particularly Luhut and Sukma, are pragmatic in their approach and have little time for nationalist demagoguery on diplomatic and security issues. Sukma's writings and Luhut's actions in Singapore bear this out. They will seek to continue SBY's broadly conciliatory and cooperative approach to Indonesia's relationships with its neighbours and the great powers. Others, however, including some senior diplomats in the foreign ministry and leaders in PDI-P, are more enamoured with nationalist rhetoric intended to put neighbouring countries in their place, and a foreign policy that emphasises independence from Western influence.

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While Luhut and Sukma's proximity to the president suggests that they are likely to prevail in policy debates, they may not win in internal policy debates as swiftly or as decisively as they would have under SBY, whose overriding desire to avoid tensions with other foreign leaders often pushed him towards pragmatism. Jokowi's lack of interest in foreign affairs, again, will magnify any disagreements.

Moreover, nationalists in the Indonesian legislature, particularly among the coalition of parties that supported Prabowo in the presidential election, may also push Jokowi toward less conciliatory policies. Several similar efforts by members of Commission I, the legislative body overseeing foreign affairs, successfully pushed SBY towards a more non-aligned stance over issues such as sanctions on Iran.<sup>37</sup> Prabowo's coalition will likely push more such efforts, if for no other reason than to gain political advantage by impugning Jokowi's nationalist credentials.

Yet while nationalists in PDI-P, the foreign ministry, and the legislature may push Indonesian policy in more nationalist directions at the margins, they do not seek to overhaul Indonesian foreign policy more broadly. In its general orientation, Indonesia can thus be expected to maintain the slight lean to the West established under SBY, while taking a more nationalist stance on specific issues that capture the imagination of the political and diplomatic elite. Issues that have done so in the past have included trade and microeconomic policy, which are likely to continue in a protectionist direction, and incidents in which Indonesian sovereignty is perceived to have been violated.

## IMPLICATIONS FOR AUSTRALIA

The departure of SBY from the State Palace marks the end of a significant era in Australia's relationship with Indonesia. SBY never gave Australia a free pass — he is the only Indonesian president to have recalled his ambassador to Canberra; and he did it not once, but twice. He did, however, have an active interest in the relationship and sought positive working ties with his Australian counterparts; through the Lombok Treaty, concluded in 2006, he put the bilateral relationship on a firmer footing.

Jokowi is no stranger to Australia, having traveled to Indonesia's southern neighbour for business, holidays, and to visit his son when he was in school in Sydney. Nor is he ill-disposed to the country. During the foreign policy debate on 22 June, he told Indonesians that Australia had not always respected Indonesian dignity because of a lack of trust between the two. Nevertheless, he argued it was important to build up economic and people-to-people ties to create greater trust. Similarly, Australian officials have long argued that enhancing economic and people-to-people ties would create ballast in the relationship that would help it weather crises.<sup>38</sup>

Yet precisely because the bilateral relationship lacks ballast, when crises emerge it takes a greater effort at the political level to bridge the differences between the two. It is this greater effort that SBY regularly led. Jokowi, focused on domestic reforms and beset by strident political opposition at home — political opposition that is looking for opportunities to criticise Jokowi as insufficiently nationalist — is less likely to make that effort.

As a result, the bilateral relationship may prove more difficult to manage under Jokowi than it was under SBY. This is particularly the case with issues that impinge on Indonesia's sovereignty or dignity and capture the imagination of Indonesian nationalists in the legislature and foreign ministry, such as the espionage scandal that damaged ties between Australia and Indonesia in 2013. Any repeat of the latter, for example, could be more difficult to resolve under Jokowi than it was under SBY.

Jokowi's focus on domestic reforms is not all bad news for Australia, however. Success in his fights against corruption and to improve Indonesia's dilapidated infrastructure would not only grow Indonesia's economy and improve Indonesians' living standards, it would also create greater opportunities for trade with and investment in Indonesia. If Jokowi can overcome opposition to his domestic reforms, his investment in these areas will pay significant long-term dividends in the bilateral relationship.

*...the bilateral relationship may prove more difficult to manage under Jokowi than it was under SBY.*



## CONCLUSION

Jokowi's reformist credentials and meteoric rise from a bamboo shack to the State Palace are reasons for hope and celebration for Indonesians and foreigners alike. If he can overcome substantial domestic opposition to his agenda, he may yet make a great contribution to Indonesia's development and democratic progress.

Yet his focus on domestic reforms and his inexperience in foreign affairs suggest that his presidency will lead to less clearly defined positions on specific foreign policy issues, less Indonesian leadership in foreign affairs, and perhaps a more nationalist reaction in some international disputes.

## NOTES

<sup>1</sup> At the time of this report's publication, Jokowi's team had sent mixed signals regarding his attendance at the summits. Some of Jokowi's advisers believe that the political crisis created by his defeated opponent, Prabowo Subianto, will require his presence in Jakarta. In that case, he would likely send his vice president or foreign minister. His foreign policy advisers, however, are unanimous in encouraging Jokowi to attend all three summits lest he leave the impression that he is not ready for the world stage.

<sup>2</sup> Inaugural Address, Susilo Bambang Yudhoyono, Jakarta, 20 October 2009. SBY's wording varied between "a *thousand* friends and zero enemies" and "a *million* friends and zero enemies."

<sup>3</sup> Ties between the United States and Indonesia had been strained by events in East Timor and other reports of human right abuses, by the American reaction to the East Asian financial crisis of 1998, and by the reluctance of SBY's predecessor, Megawati Sukarnoputri, to address the threat of terrorism in Indonesia to American satisfaction. Indonesian leaders have historically approached China with a coolness born of Mao-era fears (which were slow to dissipate) regarding communist subversion in Indonesia.

<sup>4</sup> The former Department of Foreign Affairs was renamed the Ministry of Foreign Affairs in 2009. To avoid confusion, this paper refers to it by its current title throughout.

<sup>5</sup> Greta Nabs-Keller, "Reforming Indonesia's Foreign Ministry: Ideas, Organization, and Leadership," *Contemporary Southeast Asia*, 35, no. 1 (2013): 56-32.

<sup>6</sup> Ibid. Indonesian general officers served as directors-general in the foreign ministry until 2001, and continued to serve as ambassadors to key countries for several years that followed.

<sup>7</sup> Interview with Indonesian diplomat, Jakarta, August 2014.

<sup>8</sup> Later, under Dino's successor, Teuku Faizasyah, SPHI became the Special Presidential Staff for Foreign Affairs, or SKPHI.

<sup>9</sup> Interview with Indonesian diplomat, September 2014.

<sup>10</sup> Such was Dino's status in SBY's first term that, though he had only recently been appointed to director-general rank in the hierarchical foreign ministry, he addressed the foreign minister as an equal in formal settings. Dino would address foreign minister Hassan Wirajuda as "Yang terhormat saudara Menlu", rather than "Yang terhormat Bapak Menlu", as a diplomat of his rank would normally do. (Interview with Indonesian diplomat, September 2014).

<sup>11</sup> Interview with a foreign diplomat, Jakarta, September 2014.

<sup>12</sup> Interview with foreign diplomat, Jakarta, August 2014.

<sup>13</sup> Allene Masters, "The Aceh Peace Accords: One Year Later and Still Holding," *PacNet* No. 46, 13 September 2006, <http://csis.org/files/media/csis/pubs/pac0646.pdf>.

<sup>14</sup> For a more in-depth look at Jokowi's earlier years, see Michael Bachelard, "Joko Widodo: Man with a Mission," *Sydney Morning Herald*, 14 June 2014,

<http://www.smh.com.au/lifestyle/joko-widodo-man-with-a-mission-20140609-39rui.html>.

<sup>15</sup> Ben Bland, "Indonesia: The Political Outsider," *Financial Times*, 25 June 2014, <http://www.ft.com/intl/cms/s/2/cb090784-f704-11e3-9e9d-00144feabdc0.html#axzz3FvjZxqEq>.

<sup>16</sup> I have elsewhere addressed the tough road that Jokowi will face in implementing these reforms. Aaron L. Connelly, "Jokowi's Honest Politics Will Make Him Vulnerable," *The Australian*, 14 July 2014.

<sup>17</sup> "Jalan Perubahan Untuk Indonesia yang Berdaulat, Mandiri dan Berkepribadian," Visi Misi, dan Program Aksi, Jokowi — Jusuf Kalla 2014, Jakarta, May 2014.

<sup>18</sup> The focus on maritime issues in foreign policy is a reflection of Jokowi's focus on maritime issues in domestic policy. As part of his program to better integrate the economies of Indonesia's eastern islands with each other and the western islands, Jokowi has proposed billions in infrastructure spending to make commerce and transportation between the two cheaper and easier.

<sup>19</sup> Interview with Indonesian diplomats and advisers to Jokowi, Jakarta, September 2014. The organisation's Delhi-centric character limits its membership. Pakistan, Myanmar, Somalia, Djibouti, and the Maldives remain outside the organisation.

<sup>20</sup> Indonesian diplomats have frequently expressed their displeasure by warning that "it would be a mistake to repeat the Alwi Shihab experiment". Alwi was the first foreign minister from a political party background since the Old Order, appointed by President Abdurrahman Wahid. Alwi did not distinguish himself as minister. The comparison is thus unflattering and unfair to Rizal, who is a scholar of international relations rather than a politician. Interviews with Indonesian diplomats, July, August and September 2014.

<sup>21</sup> Abdul Khalik, "Hassan's Boys' Shape RI's Current Diplomacy," *Jakarta Post*, 12 October 2009, <http://www.thejakartapost.com/news/2009/10/12/hassan039s-boys039-shape-ri039s-current-diplomacy.html>.

<sup>22</sup> Interview with Indonesian diplomats, September 2014. In August and September 2014, a public debate erupted in Jakarta over Marty's performance as foreign minister, with dueling op-eds in English language and Indonesian language newspapers. Many Indonesian diplomats have argued that Marty should not be retained in office because he has become too distant and insensitive to the concerns of the rank and file.

<sup>23</sup> "Megawati: Jokowi Assigned to Implement PDIP's Ideology," *Republika OnLine*, 14 May 2014, <http://www.republika.co.id/berita/en/national-politics/14/05/14/n5kplw-megawati-jokowi-assigned-to-implement-pdips-ideology>.

<sup>24</sup> Interviews with individuals close to Jokowi, April, May and September 2014.

<sup>25</sup> Yulisari Perdani, "No Crooks or Human Rights Abusers in New Cabinet: Activists," *Jakarta Post*, 26 July 2014.

<sup>26</sup> "A Conversation with Marty Natalegawa, Minister of Foreign Affairs, Republic of Indonesia," Council on Foreign Relations, 20 September 2010, <http://www.cfr.org/indonesia/conversation-marty-natalegawa-minister-foreign-affairs-republic-indonesia/p22984>.

<sup>27</sup> For a recent review of these incidents, see Scott Bentley, "Mapping the Nine-Dash Line: Recent Incidents Involving Indonesia in the South China Sea," *The Strategist* (blog), Australia Strategic Policy Institute, 29 October 2013, <http://www.aspistrategist.org.au/mapping-the-nine-dash-line-recent-incident-involving-indonesia-in-the-south-china-sea/>.

<sup>28</sup> Diplomatic Note, Permanent Mission of Indonesia to the United Nations to the Secretary General of the United Nations, 8 July 2010, No. 480/POL-703/VII/10, [http://www.un.org/Depts/los/clcs\\_new/submissions\\_files/mysvnm33\\_09/idn\\_2010re\\_mys\\_vnm\\_e.pdf](http://www.un.org/Depts/los/clcs_new/submissions_files/mysvnm33_09/idn_2010re_mys_vnm_e.pdf).

<sup>29</sup> Ridzwan Rahmat, "Indonesia to Station Su-27, Su-30s on South China Sea Islands," *Jane's*, 31 March 2014, <http://www.janes.com/article/36214/indonesia-to-station-su-27-su-30s-on-south-china-sea-islands>.

<sup>30</sup> Air Commodore Fahru was quoted as saying, "China has claimed Natuna waters as their territorial waters... This dispute will have a large impact on the security of Natuna waters." "China Includes Part of Natuna Waters in Its Map," ANTARA News, 13 March 2014, <http://www.antaranews.com/en/news/93178/china-includes-part-of-natuna-waters-in-its-map>.

<sup>31</sup> "Why There Is No 'New Maritime Dispute' Between Indonesia and China," Evan Laksmana, *The Strategist*, (blog), Australia Strategic Policy Institute, 4 April 2014, <http://www.aspistrategist.org.au/why-there-is-no-new-maritime-dispute-between-indonesia-and-china/>. Strictly speaking, Marty is right, in that the waters off Natuna are not 'territory'.

<sup>32</sup> Moeldoko, "China's Dismaying New Claims in the South China Sea," *The Wall Street Journal*, 24 April 2014, <http://online.wsj.com/news/articles/SB10001424052702304279904579515692835172248>.

<sup>33</sup> As outlined above, China's claim extends to the waters northeast of Natuna, but not to the islands themselves.

<sup>34</sup> Interview with Indonesian diplomat, Jakarta, May 2014.

<sup>35</sup> Interview with Indonesian diplomats, Jakarta, May 2014.

<sup>36</sup> Interview with foreign diplomats and defence officials, Jakarta, September 2014.

<sup>37</sup> Iis Gindarsah, "Democracy and Foreign Policy-Making in Indonesia: A Case Study of the Iranian Nuclear Issue, 2007-08," *Contemporary Southeast Asia*, 34, no. 3 (December 2012): 416-37.

<sup>38</sup> See, for example, Julie Bishop's speech on economic diplomacy, Julie Bishop, "Address to Economic Diplomacy Launch," 18 August 2014, The Lowy Institute, Sydney, [http://foreignminister.gov.au/speeches/Pages/2014/jb\\_sp\\_140818.aspx](http://foreignminister.gov.au/speeches/Pages/2014/jb_sp_140818.aspx).

## ABOUT THE AUTHOR



*Aaron Connelly*

Aaron L. Connelly is a Research Fellow in the East Asia Program at the Lowy Institute for International Policy, where he focuses on Southeast Asia, and Indonesia in particular. His research interests include Indonesian politics and foreign policy, the geopolitics of Southeast Asia, and the US role in the region.

Prior to joining the Lowy Institute, Aaron worked at Albright Stonebridge Group, a commercial diplomacy consultancy headquartered in Washington. As a director at the firm, Aaron assisted companies and non-profits in understanding political risks to investments and operations in Southeast Asia. As special assistant to the chair of the firm, former US National Security Advisor Samuel R. Berger, Aaron collaborated closely with Mr. Berger on foreign policy matters, conducting research for and representing Mr. Berger in a variety of outside initiatives.

Previously, Aaron was a researcher in the Asia programs at the Center for Strategic and International Studies (CSIS) in Washington, a Fulbright scholar and visiting fellow at the Centre for Strategic and International Studies (CSIS) in Jakarta, and a consultant to US firms operating in Southeast Asia with BowerGroupAsia. In these capacities he wrote extensively about Southeast Asia, studied the inner workings of the Indonesian legislature, and assisted clients with political risk analysis and business strategy in Southeast Asia.

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Aaron Connelly  
Tel: +61 2 8238 9120  
aconnelly@lowyinstitute.org

**LOWY INSTITUTE**  
FOR INTERNATIONAL POLICY

31 Bligh Street  
Sydney NSW 2000 Australia

Tel: +61 2 8238 9000  
Fax: +61 2 8238 9005

[www.lowyinstitute.org](http://www.lowyinstitute.org)  
twitter: @lowyinstitute