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INDONESIAN FOREIGN POLICY IN TRANSITION

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## End of the Age of Innocence

*The author, a veteran journalist, IMF official, and author, traces the slow, deliberate, and calculated transition of Indonesia's foreign policy from caution and uncertainty to a more confident assertion of its regional interests. Its firm stance against the Myanmar military junta indicates that Indonesia has returned to the high-table of regional powers, and that it must be taken seriously both by the United States and China.*

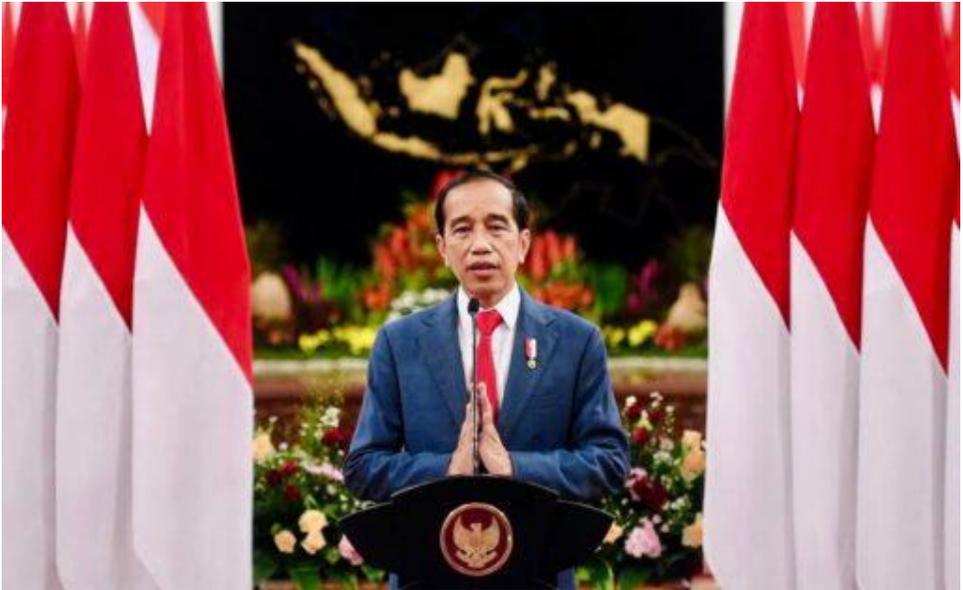
**T**he tweet from President Joko Widodo on January 4 this year was curt and direct. “Should there be no significant progress on the implementation of the 5PCs, Myanmar should only be represented at non-political level at ASEAN meetings.” Widodo was referring to the Five-Point Consensus of the Association of Southeast Asian Nations to deal with the Myanmar crisis. For Asean foreign policy watchers, the tweet by the president is symbolic of a more muscular

stance in the country's foreign policy and regional security. The tweet was aimed at Cambodian Prime Minister Hun Sen (this year's Asean chair) who was about to embark on a controversial visit to meet the leader of the Myanmar junta who dislodged the democratically elected government of State Counsellor Aung San Suu Kyi in February 2021. Although Hun Sen continued with his visit, he did not find much love from other Asean leaders. In a conversation with Singapore Prime Minister Lee Hsien Loong after the visit, Hun Sen was told that any change in Asean's tough policy position toward Myanmar "had to be based on new facts." The 5PCs which the president referred to are Asean's five-point consensus in resolving the political crisis in Myanmar. Asean, in effect, has withheld official recognition of the Min Aung Hlaing regime, junking its long-cherished policy of non-interference in the domestic affairs of a member country. This dramatic policy shift was only possible because the grouping's largest member, Indonesia, has shed its traditional caution and slumber to become much more assertive in regional affairs.

## **A Slow Transition to the Four Pillars of Foreign Policy**

For foreign policy observers who have watched Indonesia's sclerotic approach toward the region for decades, the new assertive tone from Jakarta is a shock. Since President Suharto assumed power in 1966 from the disarray of the Sukarno era, successive Indonesian leaders have taken a benign, low-profile approach in dealings with neighbors and the world at large. There is, of course, a difficult historical legacy which the leaders have attempted to overcome. In the mid-1960s, an erratic President Sukarno had threatened to go to war with Indonesia's neighbors, raising the sceptre of the rise of a regional power or bully

jealously protecting its interests in Southeast Asia. Fortunately for the region, Sukarno's policy of *konfrontasi* against next-door Malaysia did not last long and indeed dissipated after the president was unceremoniously ousted in 1965, ushering in *Orde Baru* (New Order) under President Suharto.



President Jokowi speaks at the opening of Indonesia's Group of Twenty (G20) Presidency on December 1, 2021, declaring that the Indonesian presidency would pursue the theme "Recover Together, Recover Stronger." Photo by the courtesy of the Office of the President of the Republic of Indonesia.

In the decades since, Indonesia has transformed itself from a brutal dictatorship into a vibrant democracy with a uniform stance on foreign policy. These can be boiled down to four core principles:

- **Focus on economic development and social transformation at home.** Taking a leaf from Deng Xiaoping's playbook of China "biding its time and hiding its strength," past Indonesian presidents have preferred to focus on domestic bread-and-butter social and economic issues rather than fret about

projecting regional power. This approach has reaped dividends as Indonesia, despite periodic ups and downs, has transformed itself into a lower middle-income country with aspirations of becoming fully developed in a generation.

- **Under-leverage Indonesia's vast geography and maritime reach in Southeast Asia.** Given its vast geographic reach—17,000 islands extending 5,150 kilometres between the Indian and Pacific oceans, Indonesia had legitimate reasons in the past to protect its vast maritime flank. But it had little reason to do so because of stable geopolitics in the region since the end of the Vietnam War. It was the age of innocence for Asean nations, as Singapore diplomat Kishore Mahbubani has memorably described the era, allowing policymakers to focus on building their economies.<sup>1</sup>
- **Support regional integration via Asean but let others take the lead.** Indonesia has always been *the* essential member of Asean but preferred to out-source the work on building the regional trade and investment architecture to other countries, notably Singapore and Malaysia. The creation of the ASEAN Free Trade Area in 1992 and successive regional free trade agreements, culminating in Asean's landmark Regional Comprehensive Economic Partnership (RCEP), which includes China, Korea, and Japan, would not have been possible without Indonesia's tacit support.
- **Embrace the regional security blanket provided by America.** Since the creation of Asean in 1967, America has provided reliable security insurance to the region, allowing countries to

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<sup>1</sup> Mahbubani's 2005 book, *Beyond the Age of Innocence: Rebuilding Trust Between America and the World*, warned about Asean's complacency on regional security.



focus on economic development and domestic social transformation. As a result, Indonesia consistently under-invested in foreign policy and regional security.

## **China's Assertiveness Gives a Wake-Up Call**

To paraphrase President Teddy Roosevelt's famous foreign policy doctrine of "speak softly and carry a big stick," Indonesia's philosophy has been to speak softly and not carry a stick at all. However, President Joko Widodo, now serving a second term in office, recognizes that the *status quo* foreign policy, built on the four principles articulated above, is no longer relevant because of a fast-changing regional dynamic—the rise of the People's Republic of China. Although China's economic rise has been tangible in Southeast Asia for at least two decades, through increased trade and investment flows which the region benefited from, what is new is the assertiveness of President Xi Jinping in reclaiming what he regards as China's rightful role as a regional power. The Beijing toolkit has included pushing maritime claims across the South China Sea, impacting every major Asean country including Indonesia, and in a hectoring, bullying foreign policy whose philosophy can be summed up as "my way or the highway."

China's rise is taking place at a time of American preoccupation with political polarization at home and the continuing reality show dramas of the Trump era. In the eyes of Asean watchers, China stopped biding its time and decided to show its strength when it perceived American weakness in failing to back its famous 2011 policy "pivot" toward Asia. While America did strengthen security alliances because of the pivot, President Trump's controversial decision to pull out of the Trans Pacific Partnership (TPP), a regional trading agreement aimed at

countering China, seriously setback the pivot strategy and accelerated Beijing's efforts to position itself as the indispensable Asian power.

During President Jokowi's first term in office (2014-2019), the Indonesian leader appeared aloof and uncomfortable on the global stage, with a clear preference to stay at home rather than attend to the pomp and pageantry of state visits and summits such as the G20. However, America's many distractions and China's assertiveness alarmed Indonesia's foreign policy mandarins, forcing the President's hand into carrying out the most significant policy shift in decades. Indonesia today describes itself as an "Indo-Pacific power," straddling the gateway between two major oceans through which much of the region's commerce flows. Recognizing its vital role as a chokepoint to East Asia's continued prosperity, Indonesia has taken dramatic steps to protect its vast maritime flanks against encroachment, both by China as well as foreign fishing trawlers attempting to increase their catch in the country's waters. Here the veritable gloves have come off with Jakarta renaming a section of the Natuna Sea (as the North Natuna Sea) to reassert its ownership of this disputed stretch of the South China Sea.

On regional foreign policy, as noted earlier, Indonesia has also moved the needle on Asean's long-standing policy of non-interference in a member country's internal affairs by flexing its muscles against Myanmar's military junta which set back the country's nascent democratic journey.

## **The Jokowi Doctrine: Indonesia Should be Taken Seriously**

Is there a Jokowi doctrine which articulates the country's foreign policy priorities and new assertiveness in regional affairs? While the president



himself eschews high prose and rhetoric needed for such an enterprise, senior cabinet members charged with security and foreign policy have not been shy in explaining the country's new approach. Speaking at the 2021 Manama Dialogue organized by the International Institute for Strategic Studies, Defence Minister Prabowo Subianto explained Indonesia's evolving foreign policy stance.<sup>2</sup> High on the list was the principle that Indonesia offered "respect" for all powers in the region. "We recognise the interests of the US as one of the pre-eminent powers ranging across hemispheres. But we have also stood very long by the One-China policy. We recognise Beijing's legitimate core interests, and we support and respect Beijing's rightful place as a great world power." He added that acknowledging these realities was not a "zero-sum game," as the country sought understanding and cooperation with both powers. To sceptics who may feel that he is attempting to have the cake and eat it too, the defence minister made it clear that Indonesia would not be shy in protecting its security interests. "Recently, of course, we see more and more realignment in the Indo-Pacific area. We see lately new multilateralisms. We support basically the right of every country to defend and enhance their sovereign rights, and we respect these sovereign rights."

At the heart of Indonesia's Indo-Pacific strategy is its vision of being a "Global Maritime Fulcrum" straddling two major oceans and focused on boosting naval capabilities to protect its vast offshore and onshore interests, enhancing maritime trade and connectivity within Indonesia and more broadly the region, and safeguarding the country's marine resources from over-fishing. During Jokowi's first term, the country sent a decisive signal by detaining and destroying foreign

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<sup>2</sup> Opening Address by Prabowo Subianto at the 17th Regional Security Summit, the IISS-Manama Dialogue, on November 19, 2021, <https://www.iiss.org/events/manama-dialogue/manama-dialogue-2021>.

trawlers that were illegally fishing in the country's waters. Although the tactics deployed by the previous minister charged with maritime affairs and fisheries were often crude, it sent a clear signal to Indonesia's neighbors that the country was serious about protecting its vast maritime interests from foreign encroachment. At the same time, as a lower middle-income country, Indonesia does not have the resources to increase defence spending. In its latest 2022 budget, the country has allocated 0.7 percent of gross domestic product, or a modest US\$9.3 billion, for defence spending. This pales in comparison with China's estimated 1.7 percent of GDP spent on defence in 2021, or US\$252 billion, and India's 2.1 percent of GDP, or US\$72 billion.

To walk the talk about its muscular intentions, Indonesia must carefully balance its strategic interests with the pragmatic realization that it needs to build regional alliances and hedge two of its most important relationships—America and China. Indonesia has benefited enormously from Chinese demand for its commodities and the millions of tourists who visit the archipelago each year. China is also building infrastructure which Indonesia desperately needs, evident from the controversial high-speed Jakarta-Bandung rail line currently under construction. Indonesian policymakers worry that China-built infrastructure projects will add to the country's debt and make the country more dependent on Beijing.

Which is why the 2020 election of President Biden was received in Jakarta and other Asean capitals with a huge sigh of relief. The Biden administration is devoting time and attention to the Asia Pacific region and signal that it is prepared to stand by allies to deal with the rise of an aggressive China. From Indonesia's perspective, these efforts to date have been a mixed blessing. On the positive side, Secretary of State Tony Blinken has visited Jakarta and reaffirmed America's steadfast



support for the region. At the same time, Indonesian policymakers fret that America is excluding Jakarta from many of the new regional security alliances it is building. This includes the Quad (which brings together America with Japan, Australia, and India) and Aukus (comprising Australia, the United Kingdom, and the United States). It is obvious that a coherent Indo-Pacific strategy including America and its allies would not be viable without Jakarta's tacit participation and support. While Indonesia is hesitant to take sides in the upcoming battle for regional supremacy between America and China, it should perhaps look at Vietnam as an example of a country which is no longer hedging its bets. Faced with regular Chinese incursions in its waters, culminating in a worrying escalation in hostilities in 2014 over the presence of a Chinese rig, Vietnam amended its defence policy posture by tacitly acknowledging that the geopolitical ground had shifted. In a turn of events which nobody could have predicted, Vietnam today is definitively on America's side in the tussle with China. Indonesian policymakers would probably argue that given the country's unique geography, maritime reach, population, and influence within Asean, it would be premature for a regional power to show its hand at this early stage. In the interim, Jakarta is making it clear through its actions on Myanmar that it has returned to the high table and should be taken seriously by Beijing and Washington, D.C. Tactically, this represents the Jokowi doctrine.

### ***Note on the Author***

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International Monetary Fund, the Singapore central bank, and Standard Chartered Bank, where he was Global Head of Public Affairs and Sustainability. Shastri is the author of *Resurgent Indonesia: From Crisis to Confidence* (Singapore: Straits Times Press, 2018), and most recently *Has Asia Lost It? Dynamic Past, Turbulent Future* (Singapore: World Scientific, 2021).