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# RSIS COMMENTARIES

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## **Indonesia's Foreign Policy Outlook: Challenges of 2013 and Beyond**

By Emirza Adi Syailendra

### **Synopsis**

*Domestic political developments and changes in the geopolitical environment in the Asia-Pacific region have a significant impact on Indonesia's foreign policy. How will they shape Indonesia's external focus in 2013 and beyond?*

### **Commentary**

INDONESIA'S REGIONAL leadership role was put to the test by a number of diplomatic challenges in 2012. Among them were tensions in the South China Sea, which caused dissension within the Association of Southeast Asian Nations at its annual ministerial meeting last year. Indonesia proactively restored a measure of unity within the organisation by securing consensus on a Statement of Six Principles on the South China Sea and circulating a draft Code of Conduct.

However, differences among ASEAN member-states and with China continued to challenge ASEAN cohesion while the entry of Russia and the United States into the East Asia Summit (EAS) introduced a new element in the big power rivalry in the Asia-Pacific region. At the same time, Indonesia faces a heightened political climate internally following the start of campaigning for national elections in 2014. This will add to domestic uncertainty at a time of looming regional tensions ahead.

### **The power of public pressure**

Following the end of the Suharto era, many changes have taken place within Indonesian society, such as the emergence of a free media and the empowerment of individuals. Increasing freedom was accompanied by the growth of social media that amplifies public pressure on government policies, including in the domain of foreign policy. With growing Islamic conservatism within the population, the Indonesian government will be pushed to adopt Islamic elements in its foreign policy, at times contrary to mainstream inclinations. These include the issuance of the Anti Blasphemy Law, support for Palestine's struggle for independence, and other policies seen to be in opposition to superpowers like the United States.

The tendency of succumbing to public opinion will also exacerbate the already heated political atmosphere heading towards 2014. A possible scenario in the outlook of Indonesia will be the surge of populist policies aimed at placating the public given that the incumbent Democratic Party (DP) is in decline. According to the

Indonesia Survey Institute (LSI) the DP lost 12 percent of the votes it won in 2009 due primarily to political criticism from opposition parties and high profile scandals involving party executives. President Susilo Bambang Yudhoyono, in a speech during the national meeting of the DP, recognised the challenge facing his party in maintaining its leading position in the 2014 elections.

### **Facing troubled waters**

Politics in the regional environment is likely to be even more polarising as greater challenges can be foreseen. Three existing challenges will most likely have an impact in the upcoming years.

Firstly, as ASEAN progressively moves towards a closer, unified community in 2015 there is a parallel but contrasting trend of escalating military spending among member states through acquisition of weapons that are offensive in nature such as fighter jets and submarines amidst the increasing tension in the region. This may suggest the emergence of an arms race of sorts among ASEAN member-states.

Secondly, the trend of increasing intra-Asian economic relations following the rise of China, while promising a boon for the region, nevertheless does not amount to a guarantee of pan-Asian unity. In particular, the South China Sea disputes may undermine ASEAN cohesion. While the decision of four claimant countries (Philippines, Vietnam, Malaysia and Brunei) to meet and settle the disputes among themselves is in step with the need to underscore the fact that the disputes are not with ASEAN as a whole, the move away from the ASEAN collective setting could have a divisive effect.

Thirdly, while the re-election of President Obama reaffirmed US commitment to Asia – one that will open up a vast array of opportunities for cooperation - the re-calibration of US strategies, however, will likely result in greater political posturing in Asia. That will be seen particularly in countries that are heavily dependent on China such as Cambodia, Laos, and Myanmar in contrast to countries such as the Philippines and Vietnam that have closer ties with the US. This will give rise to polarisation that might undermine ASEAN unity and centrality in the wider regional architecture.

### **Indonesian foreign policy: unilateralist or idealist?**

With the balance of power shifting towards Asia, it will be a challenge for Indonesia to maintain a fully independent and active foreign policy. In the year ahead, Indonesia will be confronted with pressures towards two extremes - one unilateralist and the other idealist.

The unilateralist course may force Indonesia to distance itself from ASEAN or at least engage in selective bilateralism out of purely economic considerations. As Indonesia aspires to an ambitious economic growth of 6.8 percent as set out in the 2013 State Budget Law, there is a tendency to move in this direction.

In early January 2013, Foreign Minister Marty Natalegawa indicated an emphasis in Indonesia's foreign policy on promoting greater economic development whilst boosting closer bilateral cooperation with strategic partners, at a time when it is taking up the chairmanship of APEC this year. The focus on the economic dimension could dilute Indonesia's visibility and presence within ASEAN. Incidentally, at the ASEAN summit in Cambodia, Indonesia took a decision to be more neutral and watered-down its ambition to consolidate the draft CoC that was already disseminated earlier to some countries in the region.

There is speculation that this approach has been taken partly to assuage domestic concerns that too much involvement in contentious issues such as South China Sea may disrupt Indonesia's effort on achieving the Regional Comprehensive Economic Partnership (RCEP).

For Indonesia, putting 'ASEAN solidarity above all' could inhibit its own aspiration for an independent foreign policy course. Indonesia's commitment to ASEAN has always forced it to compromise its own foreign policy interests. Yet, ASEAN has failed to provide an effective dispute-settling mechanism for Indonesia when it is needed most, such as over Sipadan-Ligitan. The territorial dispute was brought to the International Court of Justice instead.

Nevertheless, any move away from ASEAN will cause a backlash to the idealist nature of Indonesia as one of the founders of the organisation, and as the anchor of unity of ASEAN. Therefore, another pertinent foreign policy priority for Indonesia is how to pursue its own foreign policy agenda without decreasing its commitments to ASEAN.

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