

Southeast Asia Revisited in Trump Time

Indonesia and Malaysia

Indonesia and ASEAN “Centrality”

In the 1993 chapter, the section on Indonesia closed with a discussion of Jakarta’s foreign affairs concerns, and briefly mentioned two China-related issues: (i) Beijing’s assertions of sovereignty in the South China Sea; and (ii) China’s purchase of an aircraft carrier. Both were just-emerging issues in 1993, but today, because they imply a likely Chinese challenge to the US presence in the region, they are now of major proportions.

Indonesia is impacted because of Jakarta’s recent emphasis on its maritime strategy, and especially its role as an Indo-Pacific maritime power. That strategy has been well laid out by Prof Dewi Fortuna Anwar, who has pointed out that not until the fall of President Suharto in 1998 did Indonesian governments focus specifically on its maritime role. Before that, in the “new order” period from 1966-1998, the main priorities were land-based: they were dominated by the Indonesian Army which in turn dominated Indonesian politics.¹

The historic shift to an oceans policy was made in 2014 by President S. B. Yudhoyono, and formalised by current President Joko Widodo’s plan to ensure that Indonesia becomes a strong maritime nation.² It is difficult to see how Indonesia could aspire to less, considering that it is the world’s fourth most populous nation with more than 17,000 islands reaching from the Indian Ocean and Andaman Sea on the west to the southwestern Pacific on the east. In the phrase made popular in Sukarno’s time, Indonesia’s span is from “*Sabang to Merauke*,” and its intention now is to establish an oceans policy that reflects and is consistent with that geographic reality.

That policy goal is taking place against the background of the now-obvious competition in the Asia-Pacific region between the United States and China, with clear implications for Indonesia’s national interest. Among the most important is that Indonesia’s emerging maritime role is likely to become its top foreign policy priority, and that its earlier concerns with the more limited Southeast Asian regional goals associated with ASEAN are likely to be folded within that broader and more basic maritime umbrella.

¹ Dewi Fortuna Anwar, “The Emergence of Indonesia’s Ocean Policy,” *RSIS Commentary*, No. 28/2018, S. Rajaratnam School of International Studies, 21 February 2018.

² In his words, the plan is to make Indonesia a “Global Maritime Fulcrum”. Since then Indonesia has acquired several submarines built in South Korea and in 2019 launched its first home-built boat (the Alugoro 405) which completed sea-trials early in 2020.

In a word, Indonesia has grown beyond ASEAN, and to understand why it is useful now to recall the circumstances that led to ASEAN's formation. Those circumstances were comprised of two factors: (i) the Asian and global political-security environment in the years leading up to 1967; and (ii) the historical and intellectual ingredients that made up that environment. The central feature of that environment, from the perspective of the Southeast Asian states, was that they were weak and in some cases altogether new states, located in a neighbourhood where the world's always contesting, ideologically driven and most powerful great-power actors also lived.

Against that background, the politically-savvy realists who were mainly responsible for creating ASEAN read accurately the politico-strategic tea-leaves surrounding them and they acted accordingly.³ They needed to do something, as it were, to secure their independence and their separate sovereignties, and that something, that attractive lifeline they reached for and held onto, was the concept and emerging reality of regional cooperation. It was a concept already present in the surrounding intellectual wind, and it had already led to some formal organisations, often with the veneer of regional economic cooperation.

Europe of course was where this was taking place, and Europe's nascent regionalism — symbolised by the 1957-1958 establishment of the European Economic Community — was the origin and model for the rise of regionalism in several parts of the world. The Southeast Asian states did not slavishly follow all that was in Europe but it was nevertheless the origin and it provided the model. Yet the histories of the two regions show that it was not a design that fit Southeast Asia's realities. The reason is that Europe's situation and its model was based on and driven by the hard fact that it was designed to deal with and overcome centuries of intra-European, and at its core essentially Franco-German competing ambitions that had often led to outright war between those two participants.

In Southeast Asia however, aside from the minor and fleeting Malaysian-Indonesian conflict of the early 1960s, there was no analogue to those centuries of intra-European violence and wars. Nevertheless, the concept and the model was there for the taking, and despite their sensible disclaimers that they would not attempt to replicate European regionalism's organisational features, ASEAN's founders applied that overall conceptual model to the quite different situation in Southeast Asia. Through the 1970s, 1980s, and even into the 1990s, the group did score some important successes, particularly its Indonesian-led role in settling the Cambodia-Vietnam conflict, and in leading to the creation of groups such as the ASEAN Regional Forum (ARF) and the East Asia Summit (EAS).

Nevertheless, by the time Beijing's assertions of sovereignty in the South China Sea had become undeniably clear, ASEAN was already split by its internal divisions on how to deal with China. Those divisions damaged ASEAN's hopes and prospects for achieving genuine weight in the region, or what is often referred to as "ASEAN 'centrality'". Recent actions by the Philippines, and especially by

³ They were Ghazali Shafie in Malaysia; S. Rajaratnam in Singapore; Thanat Khoman in Bangkok, and Adam Malik in Indonesia.

Thailand, have further divided ASEAN, and its failure to achieve the goals of greater intra-ASEAN trade, held out as part of the fools' errand of regional economic cooperation, has been another weakening factor.

Much of the reason for that economic disconnect was the fundamental non-complementarity of the region's economies, and especially of the goods most of them might export. Beyond that was the newer world factor of global supply chains. Most of the ASEAN states have participated happily in those worldwide economic and trade arrangements, usually to their great advantage. But by the same token, those global supply chains have ignored and bypassed the intra-regional efforts of ASEAN. That meant, as a matter of practical economic reality, that ASEAN's optimistic trade-related targets were never likely to be met, nor have they been. Indeed, at no point in ASEAN's history has intra-ASEAN trade been more than 20-25%, and much of that reflects the fact that every ASEAN member trades with Singapore.

Nevertheless, the concept of "ASEAN centrality" will continue to be cited as an important foreign policy factor, including by the United States. Indeed, since 2008 Washington has designated a diplomat with Ambassadorial rank as its representative to ASEAN and regards ASEAN centrality as an accepted fact. In 2016, the senior US National Security Council officer responsible for East Asia seemed surprised that among American academic specialists the more common view is that an emphasis on ASEAN and its centrality concept is increasingly one without much substance.

What centrality means is itself open to different interpretations, though generally it implies that ASEAN is expected and has the capacity to play the leading role in the regional order and the regional security architecture. Some would add that it extends even to "the power dynamics between and among external powers that have interests in the region."⁴ Yet to look closely today at the concept reveals a much less expansive view, one that reflects growing doubts about the reality and relevance of the "centrality" notion. My late and close friend Prof Michael Leifer would have termed it the problem of "making bricks without straw."

A new book on Indonesian foreign policy⁵ discusses the concept at great length, and finds that while centrality still has supporters, many involved in the country's foreign policy, including current President Joko Widodo, believe the doctrine's time is past. Its author concluded that "The Widodo era has seen a trend towards Indonesia de-emphasising ASEAN centrality in Indonesian foreign policy." Moreover, no recent Indonesian President has given ASEAN, or the centrality concept, the kind of emphasis that would afford it genuine weight and significance, and the reason, especially in the light of the 1997-1998 Asian financial crisis, stems from the fact that every Indonesian President has been far more concerned with the nation's internal economic development.

⁴ Joyce A. Teodoro, *Distracted ASEAN? Where to For ASEAN Centrality? CIRSS Commentaries*, Vol. III, No. 15, Manila, Center for International Relations and Strategic Studies, December 2016.

⁵ Vibhanshu Shekhar, *Indonesia's Foreign Policy and Grand Strategy in the 21st Century: Rise of an Indo-Pacific Power*, Routledge, 2018.

A most recent assessment on the question of ASEAN's significance was provided in November 2018 by the Asia Society's Policy Institute. Several well-placed commentators were asked by the Institute to assess precisely whether, and to what extent ASEAN still matters, as well as the issue of Indonesia's role in ASEAN. The group was headed by former Indonesian Foreign Minister Marty Natalegawa, who wrote the book *Does ASEAN Matter? A View from Within*. For the most part, their comments resulted in qualified but generally supportive assessments of ASEAN's prospects, but one member, Evan Laksmana of Indonesia's CSIS, was more blunt. Because his conclusions most accurately sum up the issue, they are worth repeating here:

Until ASEAN can enhance internal cohesion and development, its ability to play a stronger external role in the region will be limited. The biggest challenge in this regard has been the absence of a consistent leader—a role Indonesia could potentially play, but is unlikely to under President Widodo's domestically-oriented agenda. Without stronger ASEAN leadership, the group is likely to simply drift within the strategic flux.

This discussion of Indonesia's foreign policy has traced its evolution in two broad periods: the first marked by ASEAN's formation and development; the second marked by Jakarta's recent adoption of a maritime strategy. Both periods represent different approaches for different times, but both were positive developments. That characterisation is decidedly not the case when we turn now to comparing how Indonesia's domestic affairs were assessed in 1993 and today.

Of course much in Indonesia today is also positive, especially when its domestic political situation is compared with that of Cambodia and Thailand. The internal political environment in Indonesia is far more open and relaxed than those two. Moreover, Indonesia certainly warrants high marks in having successfully moved from one President to an elected successor, each time without significant disruption or violence. That is the good news. Also in the good news category is that Indonesia has so far maintained the Constitution's guarantee to respect the country's six main religions.

But recognising that Indonesia is also the world's largest Muslim-majority country, and that 87 per cent of the population identifies as Muslim, there has always been a tension between that majority and the much smaller and mainly Chinese Christian community. And within the Muslim community, there is also a long-existing tension on the matter of how strictly Islam should be interpreted and practiced. From that perspective, Indonesia has long been rightly regarded as a nation of "moderate Islam," in terms both of Shiite-Sunni differences and differences within the broader Sunni grouping.

That characterisation of Indonesia as a moderate Islamic state has meant that except for Aceh province at the northern tip of Sumatra, there was much tolerance for other practices. Specifically, there were few instances of the harshest forms of Islam commonly found in the Arab world and in parts of South Asia, especially in Pakistan. Other than in Aceh, the imposition of Sharia law in particular was relatively

seldom found, but in recent years—and particularly in the time since my 1993 chapter was written—that has much changed. Indonesia has seen a turn to a less tolerant and a more restrictive Islam.

For example, on my first visits to Indonesia in the early 1960s and especially in Jakarta, it was not then common to see most women wearing the hijab, but over the years that has much changed as have many other related practices. During the past decade in particular, radical Islamists have called for the nationwide adoption of Sharia law, and they have penetrated mainstream moderate Muslim organisations, including schools, universities, political parties and much else. Other indicators of this change include the removal in 2017 of Jakarta's Christian governor Ahok, amidst much clamour and mass demonstrations. More recently President Widodo chose a conservative Muslim cleric as his running mate in the 2019 elections.

This is a large issue, one too major to be explored fully here, but there is a common thread to most explanations of why and how this has happened in Indonesia, and it has had its parallels in Malaysia as well. The central element has been an extremely well-financed effort by Saudi Arabia to support and extend the coverage of its dominant Wahhabi sect throughout the Muslim world. With its first Southeast Asian roots evident in Malaysia, it soon became apparent in Indonesia as well. Interestingly, it was former US President Barack Obama who provided a succinct and accurate statement on the issue of Indonesia's increasingly evident Islamisation.

Obama had spent four of his boyhood years in Jakarta in the mid and late 1960s, and in 2016, in a conversation with former Australian Prime Minister Malcolm Turnbull, he was asked to compare what he recalled with what he had seen on a much more recent visit to Indonesia. For his answer the President no doubt drew on those boyhood memories, but as President he was also able to draw on official US sources. His answer and assessment was spot on, and worth repeating here:

Obama described how he has watched Indonesia gradually move from a relaxed, syncretistic Islam to a more fundamentalist, unforgiving interpretation; large numbers of Indonesian women, he observed, have now adopted the hijab, the Muslim head covering. Why, Turnbull asked, was this happening? Because, Obama answered, the Saudis and other Gulf Arabs have funneled money, and large numbers of imams and teachers, into the country. In the 1990s, the Saudis heavily funded Wahhabist madrassas, seminaries that teach the fundamentalist version of Islam favored by the Saudi ruling family, Obama told Turnbull. Today, Islam in Indonesia is much more Arab in orientation than it was when he lived there.⁶

⁶ As reported in *The Interpreter*, the Lowy Institute, October 2016, reporting on an article by Joshua Goldberg in *The Atlantic* (emphasis added).

That is hardly an encouraging conclusion to this section on Indonesia, especially from a perspective that hoped to see the nation-states in Southeast Asia continue to promote not only the economic betterment of their peoples but also their political development, particularly along lines that would enhance the intellectual open-ness and freedom of the individual. A further test of that prospect was Indonesia's 2019 elections. President Widodo won, but was regarded by many as insufficiently Islamic. In that light, a recent analysis of Indonesia's Islamisation is very instructive:

After Aksi 212 [a massive 2 December 2016 protest organized by the group Islam Action] Islamic conservatism has become more apparent, as these groups have constituted not just a socio-religious driving force but also a political force that has been successful in changing Indonesia's political landscape. The case of the Jakarta gubernatorial election and the 2018 Simultaneous Regional Elections...are excellent illustrations of the growing political significance of the 212 movements...

Regardless of who wins the election, the growing tide of Islamic piety (or conservatism to others) in Indonesia...will not be a one-off phenomenon. It has a considerable impact in shaping Indonesian Muslims' narratives and their political behaviour during the ongoing presidential election. In the future, they can have considerable influence in shaping Indonesia's public policy, regardless of who is elected president in April 2019.⁷

Malaysia and Mahathir's Return (And the gamble he then lost)

The Malaysia section in my 1993 chapter was titled "Malaysia and Mahathir." That emphasis on one person reflected the fact that Dr Mahathir Mohamad's often idiosyncratic views had single-handedly changed his nation's foreign policy and deeply affected much else in its politics. He had served as Prime Minister from 1981 to 2003, and now, to the surprise, relief and special delight among the non-Malay population, in May 2018 a remarkable election victory brought Mahathir back as Malaysia's Prime Minister!

His first 22 years as Prime Minister had been a checkered one: many economic accomplishments but much that was also worrisome. As the earlier chapter pointed out, during Mahathir's time Malaysia's relations with Australia, the United States, and Britain were often troubled. There was a pattern of seeming anti-Western and especially anti-American inclinations; a puzzling but nevertheless deeply-held anti-Semitism on Mahathir's part; and perhaps most disturbing, a continuing vendetta against his erstwhile younger colleague Anwar Ibrahim.

⁷ Andar Nubowo, "Grand Narratives in Outer Provinces: Impact of Islam on Politics", *RSIS Commentary*, No. 27/2019, S. Rajaratnam School of International Studies, 21 February 2019.

Nevertheless, on his return Mahathir took several widely welcomed steps. Among them were his actions to clean up Najib Razak's corruption, which was reminiscent of Imelda Marcos' style in the Philippines: police searches of Razak's property found "1,400 necklaces, 567 handbags, 423 watches, 2,200 rings, 1,600 brooches, and 14 tiaras, most of which were thought to belong to Rosmah [Najib's wife] and worth \$273 million." His separate ill-gotten personal wealth exceeded even that amount by almost \$700 million.

Mahathir also moved quickly to investigate and hopefully claw back billions of dollars missing in the related "1MDB" affair, which at \$5 billion was regarded by US and other authorities as the largest theft in history. He also renegotiated and cancelled major Chinese infrastructure investments; warning that Malaysia couldn't afford the repayments and that they represent "a new colonialism." And among the most important of his early actions was his promise to leave office after "one or two years" and hand power to Anwar, his sometime supporter but whom he had twice imprisoned.

Finally, among Malaysia's Chinese and Indian populations, there was special enthusiasm because of reports that Mahathir would reverse Malaysia's long-standing "Bumiputera" (sons of the soil) policies. Known officially as the NEP or "New Economic Policy", it had since 1971 favoured Malays in many fields, including university admissions and scholarships, civil service recruitment, housing, and much else. The Chinese and Indian communities bristled at this discrimination, and among the younger generation many left for Britain, Australia, the United States, and elsewhere, resulting in a genuine "brain drain."

Yet Mahathir's return brought no sign of an end to the NEP. Indeed, 2018 saw major demonstrations demanding that it be continued and that Malaysia not ratify a United Nations convention calling for the elimination of "All Forms of Racial Discrimination." Most UN members, including most Muslim-majority nations, have signed that Convention, and Malaysia said it too would sign, until – after Mahathir's return – it said it would not. These developments have raised doubts about whether his return would prove to be as positive as first thought, especially because evidence of a new anti-Anwar coalition led to a deeper and important worry: that Mahathir will not keep his promise to serve just one or two years and then turn power to Anwar.⁸

There are moreover revived fears in the Chinese community that Mahathir remains at his core anti-Chinese and even racist in his sentiments. He was of course the author of the long-banned *The Malay Dilemma*, and his continuing references to alleged Chinese "avarice" and "natural" money-making abilities are classic racial stereotypes, as are his earlier and repeated references to Jews as "hook nosed" people who secretly control world affairs.⁹ Such statements reinforce the view that Mahathir is impelled by racism, and have brought Malaysia much global criticism, first in 1984 in connection with an orchestra visit, and again in 2019. The two instances are worth recalling.

⁸ Some also fear that the always strong-willed Mahathir, even after he leaves office, will still aim to control events.

⁹ In *The Malay Dilemma* he wrote "The Jews for example are not merely hook-nosed, but understand money instinctively."

In 1984 the New York Philharmonic Orchestra cancelled a much-heralded two-concert visit to Kuala Lumpur because Malaysia insisted the orchestra not play an already-scheduled piece written by Swiss-American composer Ernest Bloch. The orchestra refused to change its programme; cancelled the visit and went instead to Bangkok. Malaysia said that because the music had a Hebraic theme, and because Malaysia opposed Israel and supported the Palestinians, it had a right to not have that music played. But the music was written *in 1916*, many years before Israel existed; the more likely explanation is that Mahathir harbours deep sentiments against a whole people, the Jews, a trait accurately known quite simply as racism.

The 2019 instance, which again brought much criticism to Malaysia was its refusal to allow Israeli athletes to participate in the International Paralympic Committee (IPC) swimming competition, an event scheduled to be held in Kuching, Sarawak's capital. Malaysia had assured the IPC in 2017 that "all eligible athletes would be able to participate," but in January 2019, with Mahathir back in power, Malaysia reversed the 2017 decision and said no person with an Israeli passport could enter the country. Objections came swiftly from as many as 70 countries, including some Muslim-majority states, and just as in the orchestra case, the result was that Malaysia lost something it had sought: its right to host the competition, which the IPC quickly stripped.

These negative and personal aspects of Mahathir's career and behaviour exist alongside Malaysia's many positive developments achieved during his long first tenure. Its rates of annual economic growth have often been in excess of 7 per cent, and its many new buildings and other infrastructure developments have physically transformed the country since I first visited in 1962. But it is also true that large injections of Saudi-based funds for building madrassas and paying imams have resulted in the wide adoption of Islam's Wahhabi sect, and those have led to an increasingly less-tolerant Islam than before. This is a development even Mahathir's daughter Marina has denounced as "the destruction of Malaysian culture by Arab colonialism."

Those words were written in mid-2019, and less than a year later — in February and March 2020 — Malaysia's politics was thrown into turmoil when Mahathir suddenly resigned his post. It was a tactic that no doubt was intended to soon return him to power, but that did not happen. In early March, Muhyiddin Yassin, who had been Minister of Home Affairs in Mahathir's cabinet, was instead sworn in as the country's eighth Prime Minister while Mahathir said he was "betrayed." The specific issue that sparked this remarkable turn of events were the concerns, discussed earlier, regarding Mahathir's promise to turn power to Anwar "after one or two years."

But the deeper core of the matter was race, specifically Malaysia's racial politics and the Malay community's concerns to retain its many special preferences brought about by the NEP. That issue impacted the meeting in late February 2020 when elements in the ruling coalition (*Pakatan Harapan*) sought to force Mahathir to set an exact date for his retirement and hand power over to Anwar, probably

in May 2020. But Mahathir wanted more flexibility; he cited a November date when Malaysia would host an Asia-Pacific economic conference (APEC), and argued as well that he needed more time to “clean up” the financial and corruption mess left by Najib Razak.

The coalition at that point collapsed, along with hopes that Anwar would soon become Premier. Throughout his long career, Anwar had been welcomed by the West and looked to by those at home who saw Malaysia continuing on its reform path that would include the eventual ending of the NEP that has discriminated against the 40 per cent of Malaysians who are of Chinese and Indian descent. Indeed, Mahathir’s cabinet had been encouraging in that respect, for it included several non-Malays in very important positions.

But that path now seems less clear and less open than before: Prime Minister Muhyiddin, who has claimed that he is “Malay first” appears well-ensconced in office, with backing from many traditional groups. The Malay “sons of the soil” have sought to exclude from power and its benefits those ethnic Chinese and Indians who for two centuries have worked and lived alongside them. The lesson is that historically and culturally deeper forces have demonstrated that they are more persistent and have stronger roots than those who press for democratic modernisation.