

# Strategic Analysis Paper

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## Indonesian Foreign Policy: Blind Spots, Stress Points and Potential Pitfalls

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### Key Points

- Indonesia has been ignoring its leadership role in ASEAN, even though that organisation has the potential to be a valuable tool for extending Indonesian influence.
- Indonesia's reputation as a moderate Islamic country has been tarnished from within, potentially jeopardising its long-standing position as a beacon of Muslim democracy.
- The increasing appeal of populism to Indonesian politicians could influence foreign policy decision-making in the future.
- Phantom threats such as "proxy wars", which are being fed by the suspicions of high-ranking Indonesian officials, are encouraging a protectionist stance in foreign affairs.
- Indonesia will need to reduce its economic dependence on China to avoid future conflict between its economic interests and its political and security concerns.

### Summary

Indonesia is growing. Strong economic growth and a swelling middle class have even seen some analysts [predict](#) that Indonesia will become a global economic powerhouse behind China, India and the United States. As it moves along that path, Indonesia will continue to

re-shape its strategic outlook and overcome numerous challenges as it seeks further influence in its region and beyond. This paper will examine some of those challenges in the context of foreign policy, specifically, the leadership role that Indonesia needs to fulfil through ASEAN, its position as a Muslim beacon of democracy and the need to reduce its dependence on China by broadening its economic relationships with other countries. Additionally, the appeal of populist policies and phantom threats that are distracting officials from addressing such foreign policy challenges will also be looked at.

## Analysis

### ***ASEAN Needs a Leader***

As has been noted in the [Strategic Weekly Analysis](#), the Association of South-East Asian Nations (ASEAN) will be facing its first real challenges within the next fifty years and will need strong leadership to survive. Currently, that leadership does not exist. While Indonesia is generally accepted as the de-facto leader of ASEAN regardless of where the chairmanship may lie, Indonesia has yet to completely embrace that role, and instead attempts to delegate the responsibility to “collective leadership”. The ideals of collective leadership are closely entwined with the values of the “ASEAN way” – a founding principle of ASEAN that values sovereignty and non-interference in the domestic issues of other states. The “ASEAN way” has unfortunately become an excuse for inaction in the face of pressing regional issues such as the Rohingya refugee crisis. While Malaysia has broken from that tradition and heavily criticised the Myanmar Government for its handling of the issue while providing aid (although perhaps more out of [political ambition](#) than for genuine concern), ASEAN as a whole has yet to co-ordinate a response to the crisis which has been playing out for more than two years.

ASEAN’s failure to act for fear of offending one of its members is a significant roadblock to the organisation’s future. Without strong leadership, ASEAN could very well dissolve in the face of brewing geo-strategic conflicts such as that between China and the United States. Stronger leadership is needed to encourage responses to regional issues and to pave the way for ASEAN integration.<sup>1</sup> Such an approach will need to be carefully managed, however, as divisive leadership will only serve to destabilise the organisation. Regardless, it will be a foreign policy failure on the part of Indonesia to brush aside its de-facto leadership role, as ASEAN has the potential to be an essential part of Indonesian foreign policy and a valuable tool for exerting influence and maintaining stability in the region.

### ***Moderate Islam under Threat***

Since the days of Sukarno, the role of Islam in Indonesian foreign policy has been mostly limited to legitimising policy objectives. Past situations in which Islam has played a minor role in dictating where Indonesian sympathies would be directed include the Israel-Palestine conflict, the Bosnian War and clashes between India and Pakistan. The dynamic of Islam in

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<sup>1</sup> Rattanaseevee, P., ‘Leadership in ASEAN: The Role of Indonesia Reconsidered’, *Asian Journal of Political Science*, Vol. 22, No. 2, March 2014, p. 123.

Indonesian foreign policy, however, has changed radically following *reformasi* and the post-Suharto era which led to the democratisation of Indonesia.<sup>2</sup> The *reformasi* process established Indonesia as the world's largest Muslim democracy, leading the government to project itself as both a bridge between the Muslim and Western worlds and as a role model for other Muslim countries. The attacks of 11 September 2001 and the Bali Bombings of 2002 also led the Indonesian Ministry of Foreign Affairs to shift focus to "Moderate Islam" as the identity of Indonesian Islam, wherein Indonesia's Islam is moderate, tolerant and compatible with democracy.<sup>3</sup>

From within, however, Indonesia's moderate Muslim image has been tarnished. [Canings for adultery](#) under sharia law, [police raids](#) on gay spas and a [Christian governor jailed](#) for blasphemy have all hit Australian news headlines this year. Whether or not Indonesian Islam is moving away from its moderate past, the Australian media is certainly portraying that to be the case. The hardline Islamic Defenders Front group has also gained momentum despite government efforts to crack down on such groups that have been deemed to be "anti-Pancasila". In light of that, the Indonesian Government may wish to be more wary of Wahhabi influences emanating from Saudi Arabia. A previous [Strategic Analysis Paper](#) highlighted the potential that Saudi-funded *madrasas* (Islamic day schools) could have in fuelling an apparent trend of "Arabisation" among Indonesian Muslims. That influence, however, could be subject to change given recent [sentiments](#) from Saudi Crown Prince Mohammed bin Salman (MbS) to restore Saudi Islam back to its more moderate roots and to turn away from current radical leanings. Time will tell whether or not MbS is genuine in his pursuits and if that will sway hardline Muslim groups in Indonesia.

It is important at this point to distinguish the difference between Islam as a political ideology and Islam in the public sphere. Islam as a political ideology will remain moderate and tolerant, and will continue to operate in the sphere of foreign policy within the bounds set by the principles of Pancasila. Islamic groups within the public sphere, on the other hand (with the more radical groups tending to be the loudest), will continue to influence foreign policy by pressuring the government on issues related to Muslim causes.<sup>4</sup> In this light, the tarnishing of Indonesia's position as a moderate Islamic voice could affect its relations with Australia and perhaps the wider Western world, especially if the government becomes more concerned with winning votes at home rather than strengthening relationships abroad. That kind of populist decision-making would be detrimental to Indonesian foreign policy.

### ***Rise of Populism***

For decades, experts often agreed that the Indonesian public plays little to no role in the foreign policy decisions made by the government. Recently, however, the public has become [more informed](#) about, and interested in, international affairs. The public primarily influences foreign policy through voting and public opinion. Indonesia's rapidly growing middle class

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<sup>2</sup> Al-Anshori, M.Z., 'The Role of Islam in Indonesia's Contemporary Foreign Policy', Thesis, Victoria University of Wellington, 2016, p. 19.

<sup>3</sup> Umar, A., 'A Genealogy of Moderate Islam: Governmentality and Discourses of Islam in Indonesia's Foreign Policy', *Studia Islamika*, Vol. 23, No 3, pp. 401-02.

<sup>4</sup> Al-Anshori, p. 98.

also adds weight to public opinion within the country. The problems associated with foreign policy informed by populism can be seen in the case of US President Donald Trump. Under Trump, relations with Mexico, Cuba and a number of Muslim-majority countries have significantly deteriorated as a result of a protectionist foreign policy focussed on putting “America First”.

In the case of Indonesia, a populist president would likely be affiliated with conservative Muslim groups and would give a stronger voice to groups such as the Islamic Defenders Front (*Front Pembela Islam*, or FPI). FPI leader and founder Rizieq Shihab is a popular (albeit controversial) figure in Indonesia, with a recent [survey](#) [in Bahasa Indonesia], released in October 2017 listing him as the third most popular Indonesian scholar. The same group is also known for spreading fear that Islam in Indonesia is under attack by forces such as communism, and promoting hatred towards such so-called opponents of Islam. The following address by the now General Chairman of FPI, Sobri Lubis, adds the Indonesian Ahmadiyah Muslim community to the list of those forces:

We call on the Muslim community. Let us go to war with Ahmadiyah!  
Kill Ahmadiyah wherever they are! God is great! God is great! Kill! Kill!  
Kill! If we do not kill Ahmadiyah they will destroy our faith.... The blood of Ahmadiyah is halal (permissible).... If they want to know who is responsible for killing Ahmadiyah, it is I.... Say that Sobri Lubis ordered it, that Habib Rizieq and FPI ordered it!<sup>5</sup>

Any influence that groups such as the FPI may hold on foreign policy decisions made by the government will be opposed to the notion of democracy, damaging to Indonesia’s relations with the West and detrimental to its position as a beacon of Muslim democracy and a moderate voice in international conflicts. Their influence within the Indonesian community, therefore, should also be seen as a concern which could have broad implications in the Indonesian political sphere.

### ***Distractions and Phantom Threats***

Indonesian officials and groups often stoke the flames of phantom threats, with one of the more common threats being communism. In September 2017, hundreds of protestors [besieged](#) the headquarters of the Indonesian Legal Aid Institute Foundation (*Yayasan Lembaga Bantuan Hukum Indonesia*: YLBHI) for days after a small group of scholars, lawyers and victims of the 1965 Communist Purge attempted to hold a discussion on the killings that took place between 1956 and 1966. The protestors gathered after rumours spread that those participating in the meeting were trying to revive the Indonesian Communist Party (*Partai Komunis Indonesia*: PKI). Eventually, the police were called to break up the meeting as protestors shouted ‘Eliminate the PKI!’ Further protests took place the following day, with a number of conservative groups becoming involved, including the FPI, and pushing the number of protestors up towards one thousand and subsequently turning the protests

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<sup>5</sup> Woodward, M., Rohmaniya, I., Amin, A., Ma’arif, S., Coleman, D.M. and Umar, M.S., ‘Ordering What is Right, Forbidding What is Wrong: Two Faces of Hadhrami Dakwah in Contemporary Indonesia’, *RIMA: Review of Indonesian and Malaysian Affairs*, Vol. 46, No 2, 2012, p. 136.

violent. Shortly after the incident, several thousand protesters gathered in Jakarta to rally against a “growing threat” from communism. Professor Tim Lindsay, Director of the Centre for Indonesian Law, Islam and Society at the Melbourne University Law School, said the [following](#) in response to the incident:

The idea that communism might be resurgent is ridiculous in a country that doesn't even have a leftist political party. Although the PKI was violently obliterated in the mid-sixties, and communism is a dead letter globally which has no popular support in Indonesia, it is alive and well as Indonesia's No. 1 bogeyman.

Armed forces chief General Gatot Nurmantyo and Defence Minister Ryamizard Ryacudu are two officials known for spreading fear over non-existent threats such as communism. Nurmantyo is [known](#) for speaking out about “proxy wars” in Indonesia, whether in the form of drugs weakening the youth, communist ideas brainwashing the public or [terrorism funded by countries such as Australia](#) [text in Bahasa Indonesia]. It is [widely believed](#) in the Australian media that Nurmantyo is using this rhetoric as a means to whip up public support for a possible attempt at the presidency in the next election. Ryacudu, who soon jumped on the “proxy war” bandwagon, has his own ambition to strengthening the influence of the military in domestic affairs.

The majority of these “proxy wars” arise from the idea that Indonesia's sovereignty and the values enshrined under Pancasila are constantly under threat from external and foreign forces. A recent example on the impact that this stance can have is the partial suspension of military ties with Australia in January 2017. The suspension was instated by Nurmantyo ([without consulting President Jokowi](#)) following his visit to a Perth army base where he alleged the Indonesian ideology of Pancasila was insulted and that Indonesian forces were exposed to propaganda material about Papua. Additionally, instead of focussing on real issues, such as how the military can protect Indonesian maritime assets in the future, Indonesian defence officials are getting caught up in how to combat non-existent or exaggerated threats. The result is that Indonesians are looking inwards for signs of Chinese communist propaganda while China encroaches on Indonesian interests in the South China Sea.

### ***China: Economics Mixed With Politics***

Indonesia's economy benefits heavily from trade, investment and tourism coming from China. Beijing is Jakarta's largest export market, receiving \$22.2 billion worth of exported goods from Indonesia in 2016. While that is at similar levels to the United States (\$21.3 billion) and Japan (\$21.3 billion), exports to China since 2000 have grown at significantly higher levels, as seen in Figure 1, below.



China is also the third-largest source of direct investment for Indonesia, just behind Japan and Singapore. Indonesia’s tourism sector, which generated [revenue](#) of \$16.3 billion in 2016 (almost double that of the largest export, petroleum gas), is also led by China. Singapore is the only other country with a significant presence in all three sectors. Looking towards the next decade, China will likely remain in the top two markets for exports, the top three investors for Indonesia and will continue to dominate the tourism industry in Indonesia.

The issue with having a strong economic relationship with China is that economics are often mixed with politics. The overarching Chinese economic policy, the “Belt and Road Initiative” (BRI), is focussed on developing infrastructure and increasing connectivity throughout Eurasia to support a China-centred trade network. That economic goal, however, is closely linked with political ambition. Peter Cair, a non-resident fellow at the Lowy Institute, [notes that](#), ‘the overarching objective of the [Belt and Road] initiative is helping China to achieve geopolitical goals by economically binding China’s neighbouring countries more closely to Beijing’. Through closer economic ties with Indonesia, China will have greater push and pull when it comes to political or diplomatic affairs. From China’s perspective, closer relations with the de-facto leader of ASEAN and the largest economy in South-East Asia serves a number of geo-political interests. Regardless of whether or not China’s increasing interest in South-East Asia is benign or malignant, Indonesia should avoid putting itself in a position where, without China, its economy is vulnerable. Being in such a position could blind Indonesian leaders to the political ambitions of China, which may come at the expense of Indonesia’s own national interests.

**Conclusion**

The points presented in this paper are only some of the foreign policy challenges that Indonesia will face on its path towards becoming a true regional, if not global, power. In light of the challenges mentioned above, Indonesia will be remiss if it does not solidify its role as leader in the region through ASEAN. The inner workings of hardline Islam, the draw of

populism and the use of phantom threats, on the other hand, are much more intricate issues with few immediate solutions. Diversifying economic relations with countries other than China should not be difficult from Indonesia's perspective, as it is generally in a favourable position to negotiate trade agreements and investment opportunities with a number of major economies due to its market size and economic strength. If it can do that, it will help to avoid economic dependency on China and any political ramifications that come with that.

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*The title of this paper is based on a session of the Conference on Indonesian Foreign Policy 2017, held in Jakarta on 21 October, hosted by the Foreign Policy Community of Indonesia and attended by the author.*

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*Any opinions or views expressed in this paper are those of the individual author, unless stated to be those of Future Directions International.*

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