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Talking ASEAN

**"The 2014 Elections: Implications on
Indonesia's Foreign Policy towards ASEAN"**



**asean
studies
program**

Presentation and Discussion Report

Friday, 28 March 2014 at 09.00 - 11.00
The Habibie Center Building
Jl. Kemang Selatan no. 98, Jakarta 12560



DISCUSSION REPORT

Talking ASEAN: “The 2014 Elections: Implications on Indonesia’s Foreign Policy towards ASEAN”

The Habibie Center, Jakarta, Friday, March 28, 2014

Introduction

Jakarta – On Friday, 28 March 2014, The Habibie Center held a Talking ASEAN dialogue entitled "The 2014 Elections: Implications on Indonesia’s Foreign Policy towards ASEAN" at The Habibie Center, Jakarta. This round of Talking ASEAN featured Mr. Hayono Isman (Member of Parliament, Commission I), Dr. Beginda Pakpahan (Lecturer, Department of International Relations, University of Indonesia), Ms. Lina Alexandra, MA (Senior Researcher, Center for Strategic and International Studies), and Mr. Meidyatama Suryodiningrat, (Editor-in-Chief, The Jakarta Post) as resource persons with Mr. Ray Hervandi (The Habibie Center) as the moderator.

The objectives of this Talking ASEAN dialogue were as follows: (a) to review the current state of Indonesia’s foreign policy towards ASEAN and identify continuity and divergences in Jakarta’s relationship with the regional organization over the years; (b) to analyze the importance of the 2014 Elections on Indonesia’s foreign policy towards ASEAN and discuss the likelihood that the outcome of those elections will preserve the outward-looking status quo or bring about an inward-looking change in Indonesia’s relationship with ASEAN; & (c) to explore more deeply the stances/positions of different political stakeholders in the upcoming 2014 Elections on Indonesia’s foreign policy towards ASEAN and to examine what foreign relations policies, if any, are being proposed by those different political stakeholders

This discussion report summarizes the key points of each speaker as well as the question and answer session that followed.

Mr. Hayono Isman (Member of Parliament, Commission I)

Mr. Hayono Isman started his presentation with an explanation of Indonesia’s position in facing the 2014 elections. He noted that the elections will be a significant for Indonesia as it would show to the people that a twice-elected president can step down peacefully and that the country will have a smooth transfer of power. He mentioned that this was the reason why the Indonesian people struggled for and called upon greater democracy and open reforms back in 1998. Mr Hayono opined that while there was some level of political intrigues, leadership transitions were generally peaceful in Indonesia. Indeed he opined that Indonesia was more democratic than the United States as Indonesia’s president was directly elected by the people, whereas the US president was elected through an electoral college. However he suggested that an electoral college may be more appropriate for Indonesia as it was closer to the values of



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Pancasila, whereas a popular vote could be used in the wrong way that opposed and confronted Pancasila values.

Mr. Hayono Isman also stated that the next president should ensure that Pancasila democracy – which he defined as a religious democracy that respected human rights, advanced national unity, prioritized the collective decision (*musyawarah*) for achieving Indonesian social justice – was one that the country wished to develop further. For those that wished to compare the most appropriated democratic model for Indonesia, he mentioned that Indonesia’s democracy should not be equated with the democracy experiences found in the United States, United Kingdom or Japan. As an example, he cited that while in the US it was acceptable to burn holy books in the name of freedom of expression, such acts would not be allowed in the context of Indonesia’s democracy.

On the subject of ASEAN’s historical background, Mr. Hayono Isman explained the reasons why ASEAN was established by several countries in Southeast Asia, namely Indonesia, Malaysia, Singapore, the Philippines, and Thailand. He highlighted how after the confrontation between Indonesia and Malaysia, the Indonesian government realized that the region’s development would not be successful if Southeast Asia was still marked by conflicts and confrontations between Southeast Asian countries. In other words, regional development was bound to fail if no security guarantees existed. It was on this understanding that Indonesia, with great readiness, too the initiative to visit Malaysia and discuss the need to create a sense of regionalism which later developed into the ASEAN that exists today.

Since the formation of ASEAN, Mr Hayono argued that its member-states had enjoyed a number of benefits from ASEAN regionalism. These included: (a) ASEAN is seen to be a peaceful region where no direct confrontations between states exists; & (b) ASEAN is an economically successful region. Although frictions occasionally broke out between ASEAN member states – for example border disputes between Indonesia and Malaysia – Mr Hayono observed that such tensions did not disturb ASEAN’s solidarity and togetherness. Touching on the need to face China when it came to the South China Sea dispute, he explained that ASEAN was united to support the Philippines and other ASEAN claimants by pushing for a Code of Conduct. This kind of collectivity was seen to bring benefits to the member-states of ASEAN by making them more peaceful, prosperous and stable, especially in the face of external powers.

On the issue of who would succeed President Susilo Bambang Yudhoyono, he stressed that whoever became the seventh President of the Republic of Indonesia should have a strong understanding of ASEAN. He warned that if this was not the case, Indonesia may go in the wrong direction vis-a-vis ASEAN. A strong understanding of ASEAN included knowledge of the regional organization’s mechanisms so as not to interrupt the performance of ASEAN or undermine the concept of ASEAN Centrality when facing external powers.

Mr. Hayono then recalled a moment when President Yudhoyono was onboard an Indonesian navy vessel that was positioned only 100 meters from the Indonesian-Malaysia sea borders around the waters of Ambalat. He noted from President Yudhoyono’s body language who was



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viewing the border area through a telescope, the implied message of, “If you dare to take Ambalat, Indonesia is ready for to declare war.” In Mr. Hayono’s view, this was a demonstration of firmness and courage needed in a president who at the same time understood the importance of maintaining ASEAN unity. Finally he suggested that the Indonesian people need not be worried about the coming ASEAN Economic Community (AEC) 2015 provided opportunities for Indonesia to gain a wider market in Southeast Asia. He thus urged everyone not to politicize the AEC 2015 and not to develop a negative sense of nationalism that rejected the AEC 2015.

Dr. Beginda Pakpahan (Lecturer, Department of International Relations, University of Indonesia)

The second speaker was Dr. Beginda Pakpahan who began his presentation by outlining the need to address the internals of democracy, the external environment, and how the latter affected the former, especially in terms of the internal situation of Indonesian policies. As such, he put forward the structure of his presentation which was divided into six parts: (1) Indonesia’s foreign policy foundations; (2) contemporary regional landscape; (3) the role of ASEAN in the current political and economic landscape; (4) ASEAN needs Indonesia’s leadership; (5) changing Indonesia’s internal situation and its implications; and lastly (6) next crucial agendas for Indonesia’s foreign policy towards ASEAN.

On the first issue – Indonesia’s foreign policy foundations – Dr. Beginda explained that Jakarta’s policies was founded on the classic doctrine of a free and active (“*bebas dan aktif*”) foreign policy first espoused by the country’s first Vice President Muhammad Hatta and which has since developed into the new doctrine of “dynamic equilibrium” proposed by the current Foreign Ministry Marty Natalegawa. On the second issue, Dr Beginda explained the contemporary regional landscape by highlighting the overlapping claims and territorial disputes that existed in the South China Sea as well as the problem of geopolitics found in Southeast Asia and East Asia. Besides these, Dr. Beginda also mentioned the proliferation of Free Trade Agreements (FTA) found in the region such as the Regional Comprehensive Economic Partnership (RCEP) and Trans Pacific Partnership (TPP) agreements which were demonstrative of the geo-economics problems in Southeast Asia and East Asia.

Considering ASEAN’s position in the middle of these issues, he then questioned how ASEAN should go about to resolve such problems. Dr. Beginda offered a straight answer about the role of ASEAN in the current political and economic landscapes by emphasizing that ASEAN should be a non-aligned regional stabilizer. Moreover, he stated that ASEAN should take up a vital role as the hub of regional cooperation and the driver for an evolving regional architecture in Southeast and East Asia.

On touching the issue of Indonesia’s position within ASEAN, Dr. Beginda expressed the view that ASEAN needed Indonesia’s leadership and participation in the regionalism processes. In this sense Indonesia should promote the principle known as “axis of symmetrical interests” to be adopted as a way to strengthen ASEAN and to resolve its disputes. By doing so, ASEAN can balance regional and global interests when it relates to external partners and moreover,



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Indonesia itself should actively promote ASEAN's centrality and solidity in order to overcome situational changes.

Dr. Beginda went on to predict the changes in Indonesia's internal situation post general-election 2014. He believed that Indonesia's foreign policy post-September 2014 (after the inauguration of the new president) will depend on who would be the next leader and moreover, he went on to state that beside a new leader there would be significant changes in the posture of the Government of Indonesia and The House of Representative of the Republic of Indonesia. He also explained that the role of NGOs, media, business community and scholars would continue to be crucial in shaping Indonesian foreign policy development toward ASEAN.

Dr. Beginda then highlighted the implications and next crucial agendas for Indonesia's foreign policy towards ASEAN. He suggested that Indonesia needed to balance its political and economic diplomacy in ASEAN. In particular, he stressed that Indonesia should improve its economic diplomacy. He went on to say that Indonesia's economic policy may likely shift towards internal consolidation with a greater focus on internal political and economic developments, such as the redevelopment of its agricultural, plantation and industrial sectors. At the same time, Indonesia would likely be focused with the integration of farmers into food production and land empowerment based on communities. The eradication of rampant corruption was also highlighted as a must in order to save Indonesia's state budget. Another crucial agenda for Indonesia is to prepare, develop and evaluate Indonesian capacity & capabilities towards the AEC 2015 and related ASEAN's FTAs. The Government of Indonesia and other stakeholders may focus on the improvement of human resources and its SMEs in order to enter AEC 2015. As such, Dr. Beginda recommended that Indonesia pay greater attention on the science and technology sectors in order to find innovation and to create new technology. In short, Indonesia was likely to pay more attention to its internal economic situation and possibly see the negative implications of these issues. In doing so, Indonesia needed to calculate its readiness in order to make clear decisions to mitigate such implications.

On the development of democracy issue in the region, Dr. Beginda stated that Indonesia should continue to assist countries like Myanmar and other ASEAN countries in their political transition to democracy. Here he highlighted Indonesia's Bali Democracy Forum as its diplomatic instrument for promoting its model of democracy in Southeast Asia as an inspiration for ASEAN countries. Finally, he suggested that Indonesia may share its experience on human right issues for ASEAN countries. He suggested that Jakarta help strengthen the role of the ASEAN Inter-governmental Commission on Human Rights in order to promote & to further human rights issues in South-East Asia.

Ms. Lina Alexandra, MA (Senior Researcher, Center for Strategic and International Studies)

Ms. Lina Alexandra started her presentation by questioning what would be the important implications of the next election on Indonesia's foreign policy. She stated that this was a difficult task as it was certainly not easy to find any foreign policy projections or platform. She explained



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that political party candidates and/or presidential candidates seemed more eager to talk about domestic issues rather than foreign policy. Similarly, the public was more eager to hear candidates talk about more pressing domestic issues such as how they would be able to get food on the plate and find decent jobs. She then suggested that it was more important for the country's upcoming leaders and politicians to have a clear understanding of the great challenges facing the future before they could start thinking about the implications of any foreign policy.

Nevertheless, it was stressed that the external situation would certainly create huge challenges for Indonesia's next leader. For example, Ms. Lina observed that China's strength was likely to intensify and the region would most probably see other major powers rebalance and/or counter towards China as well as to maintain their own influence in Asia. As such it was important for the next leader of Indonesia to ensure that the country remained independent and free from other countries. Here she remarked that during the election campaign period, the behaviour of political parties tended to demonstrate frequent use of nationalistic jargon such as the wealth of Indonesia's natural resources which resulted in calls for Indonesia to reduce its dependency on other countries.

Despite this, Ms. Lina stated that it was difficult to find any mention of the foreign policy visions of political parties or candidates if they were elected. While a few political parties maybe mentioned their political goals on foreign policy, most were very vague on the question of how they would achieve those goals. Here Ms. Lina said that on some level this was understandable since a certain degree of experience was needed in order to formulate foreign policies. She then went on to elaborate by taking examples from several political parties. For example, Ms. Lina pointed out that the political manifesto of Gerindra party made a very clear statement of its desire to implement a progressive policy, mentioning that Indonesia should be equal with other major powers and moreover, that Indonesia should not depend solely on ASEAN solidarity. This was especially so if it clashed with Indonesia's national interest, like the Sipadan-Ligitan negotiation and the Ambalat dispute. She then pointed out Golkar party's 'Indonesian Vision of 2045' where she remarked that no specific mention was made for foreign policy agenda beyond an emphasis on strengthening Indonesia's foundation to become a developed country in the next thirty years. Another party highlighted was that of NasDem which also called for Indonesia to first develop itself internally in order to strengthen Indonesia foreign policy. In this sense, most political parties did agree the need to develop Indonesia's internal capabilities first before being able to have strong foreign policies.

Ms Lina opined that it was very normal for political candidates to convey a nationalistic discourse during the campaign period before predicting that the country's elected leader would most likely spend the first year in office focusing on internal conditions and consolidating itself. With regards to the latter, this was especially true if the next president was forced to form a coalition cabinet if his/her political party did not receive a strong enough mandate. The audience was also reminded that the next president will have to attend the APEC meeting, G20 Forum and the ASEAN Summit not that long after his/her inauguration.



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Based on her observation, Ms. Lina concluded that most of the presidential candidates lacked enough expertise in foreign policy. As such, she expected them to rely on foreign policy advisors, possibly in the form of a national security council as well as expecting some kind of blueprint on foreign policy. Lastly, Ms. Lina touched on Indonesia's national interest issues, where she doubted that any of the presidential candidates were preparing for a fundamental change in Indonesia foreign policy. She ended her presentation by suggesting several inputs for the next Indonesia's foreign policy agenda, including: (a) Indonesia need to be firm of its national agenda, (b) Indonesia should able to maintain good relations and achieve its national interest, (c) Indonesia should play a major role to develop soft power of diplomacy, (d) Indonesia continue to export its democratic experiences, and the last, (e) the new elected leader should develop equal existences with other countries in the world.

Mr. Meidyatama Suryodiningrat. (Editor-in-Chief, The Jakarta Post)

The last to speak was Mr. Meidyatama Suryodiningrat who began his presentation by stating that no matter who became president, there would not be a significant change in the country's foreign policy outlook. He noted that Indonesia would continue to maintain the idea of ASEAN as the "cornerstone" of Indonesia's foreign policy. He recalled the country's first Vice President Mohammad Hatta 1948 policy, which he felt continue to hold albeit with some nuances in how foreign policy was conducted. He expressed that view that the current batch of presidential candidates was very different from President Yudhoyono in terms of foreign policy experience.

In his opinion, the past ten years had been the best period of Indonesian foreign policy, which he credited to President Yudhoyono's passion for foreign affairs. While Indonesian foreign policy would continue to grow under the next leader, it was unlikely to be undertaken with the same passion as the current Government. In terms of the regional context, Mr. Meidyatama predicted that ASEAN would still be the priority for Indonesia's foreign policy but that the level of attention will not be as high.

On the question of Indonesian commitment to ASEAN, Mr. Meidyatama predicted that the question will continue to be an issue over the next twelve month particularly just before the introduction of the AEC 2015. He remarked that there were some whisperings about Indonesia's preparedness for the AEC 2015 and predicted that as the deadline approached, more voices would call for a delay. He also stated that although ASEAN always stressed the need for ASEAN centrality, there remained a fundamental question mark over its unity. This was because the regional organization was divided by the alliance of default. For example, there were some ASEAN that were seen to be closer with China while others were seen to be closer with the West. He highlighted how some ASEAN member states did not wish to see the involvement of the US whereas others were entering into negotiations for the US-supported Trans Pacific Partnership (TPP).

Indonesia was seen as one of the few ASEAN countries that positioned itself in the middle by not having any formal alliances with major external powers. Mr. Meidyatama then asked what would happen if Indonesia, as the biggest country in ASEAN, was suddenly being perceived by



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fellow ASEAN members as not being totally committed to ASEAN. It was therefore important, in his view that Indonesia continued to prioritize ASEAN in its foreign policy for the coming future.

Lastly, touching on the issue of the presidential candidates, Mr. Meidyatama explained that little was known of the foreign policy platforms of the current favourites, Joko Widodo (PDI-P party) and Prabowo Subianto (Gerindra party). Despite this, he remarked that Indonesia was fortunate to have a very capable foreign minister at the moment. In this sense the key question was who will lead the foreign ministry in the next government? In particular, would Marty Natalegawa continue as foreign minister or would he be replaced, and moreover, if he were replaced would the role be filled by another technocrat or by a politician. However he suggested that if the role of foreign minister was held by a politician (rather than a technocrat), it may not be a big issue as the position of vice foreign minister would usually be filled by a technocrat to ensure that a capable person from the foreign ministry retain some influence. Despite this arrangement, Mr. Meidyatama warned against assigning a politician to the role of foreign minister, noting the relative failure of Mr. Alwi Shihab when he was foreign minister.

As such, Mr. Meidyatama concluded that the big question was not so much who would be the next president but more who would be appointed as the next foreign minister.

Question and Answer Session

Comment No. 1: We should acknowledge that the Yudhoyono government will leave behind a positive legacy in terms of the country's foreign policy towards ASEAN. Indonesia has 52% share of ASEAN's economy and makes up 40% of the region's total population. Therefore, whoever is elected as president should be firm in his/her foreign policy. I hope that Indonesia can go on to become a financial centre of ASEAN and I feel that Indonesia must be more active in ASEAN meetings/discussions. Indonesia's diplomats need to be more active when dealing with their Indian and Chinese counterparts for example.

Comment No. 2: I just want to address the economic side of foreign policy, and focus on the nationalistic economic policy issues. Many polling and survey result mentioned that PDI-P will win the elections and we can guess what kind of economic directions a PDI-P government will take Indonesia (i.e. protectionist). A question I want to ask on the leadership issue is what are differences from a candidate with a military background and one with a civilian background? Also if we consider ASEAN security, what kind perceptions do other ASEAN countries have of Indonesia's leadership transition?

Response:

Responding to the comments, **Mr. Hayono** stated that one of the strengths of Indonesia was its humble approach towards ASEAN. Indonesia has never claimed to be the leader of ASEAN instead Mr Hayono argued that it was others that had recognized Indonesia as a leader in ASEAN. He stated that if Indonesia was to claim the leadership of ASEAN, this would create it own problems and was why Indonesia did not assert itself as a regional leader in the formal sense. On the suggestion of making Indonesia as a financial centre for ASEAN, he admitted that



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the Indonesian island of Batam had failed to become the “Singapore of Indonesia.” As such he proposed that other alternatives be sought and be developed into a financial centre. He felt that Makassar had a good potential as it could not only be a gateway to the eastern part Indonesia but also a gateway to the Asia-Pacific. He highlighted Makassar’s strong tradition of trading and business which was supported by a well-organized agriculture sector. He went on to argue that in the future, Indonesian leaders should increase the welfare of the farmers, fishermen and labourers. He cited the irony that despite Indonesia’s agriculture sector, the country was still importing vegetables, rice, fish, salt and fruits. If this problem was not suitably addressed, the feeling of protectionism and nationalist economic policies may grow.

Mr. Hayono repeated that it was important to elect a president with a strong understanding of foreign policy and who could communicate foreign policy issues well. This was important to maintain the public’s interest. He also stated that there were no presidential candidates from the military. Instead there were some candidates who had a military background but have since retired from the armed forces.

Dr. Beginda meanwhile cited Indonesia’s potential capitals such as in the food sector and agriculture sector. Questioning whether the AEC 2015 was a “big dream”, he suggested that Indonesia must first conduct internal consultation to figure out the priorities of the country. By doing so, the country’s projected foreign policy can be more easily explained, such as why Indonesia needs to have protected WTO for example. He noted that Indonesia was caught in a two-level game whereby on the one hand it needed to protect the interests of its famers but on the other hand there were international obligations. A crucial factor in Dr. Beginda’s view was whether the new government will rely on a coalition or not as this would influence how Indonesia addressed its internal situation.

Ms. Lina suggested that the way of globalization was difficult to read, thus presenting some problem. She proposed that Indonesia take advantage of globalization and free trade. Here she noted that there was very little interest from Indonesian businesses to invest abroad such as in Myanmar. She thus called for a change in mind-set urging Indonesian businesses not to rely on the domestic market alone. She also felt that the military background of a few candidates should not be an issue as it was not seen to be an influential factor. Ms. Lina instead argued that Indonesia needed an administrative leader that was able to manage the country and articulate the aspirations of the people. She went on to agree with Dr. Beginda that Indonesia needed a good domestic condition if it was to have the capacity to project its foreign policy. However an ongoing challenge was developing the quality of Indonesia’s human resources. On the point made by Mr. Hayono, Ms. Lina argued that leadership cannot be self-proclaimed but instead earned through the respect of others. Regarding the perception of fellow ASEAN member-states towards Indonesia, she suggested that neighbour countries all wished to see a smooth leadership transition and moreover that there was high expectation for Indonesia to play a bigger role in the region, especially when dealing with external major powers.

Comment No. 3: It seems that not much consideration has been given to the AEC 2015 by the presidential candidates. If we look at the latest polling, PDI-P and Joko Widodo will likely win



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the elections. What are their policies on the AEC 2015 and on free trade? Also if Joko Widodo does become President, will he have the power to make his own decisions?

Comment No. 4: will the next government be divided over the issue of economic integration like the RCEP? Can it become a source of conflict?

Comment No. 5: will the leadership change affect Indonesia's position over the South China Sea issue? Do you think that the new government will be more or less active over China's claims over the waters of Natuna Island?

Response:

On the question of Joko Widodo, **Dr. Beginda** expressed his perception as a Jakartan living under the governorship of Joko Widodo. He opined that Joko Widodo would be to handle problems at the national level and pointed out that despite being the target of black campaign, he was still able to continue focusing on his work as governor. He also noted that despite Joko Widodo's lack of experience at the national level, he felt that Joko Widodo had a deep understanding of Javanese political culture which was still influential in Indonesian politics. **Ms. Lina** stated that the new leadership would find it impossible to pull out of international agreements such as the AEC 2015 or RCEP.

At the same time, **Mr Hayono** highlighted that when PDI-P was in power during the Megawati presidency, Indonesia's economy performed well to the extent that Indonesia is now a G20 member. He warned that it was not enough for a president to be a "nice guy." Instead he called on presidential candidates to be clearer on their plans so that voters could be more informed when going to the voting booths. He also stated that Indonesia would not change its policy on issues such as the Natuna islands. Indonesia would continue to achieve ASEAN centrality even if certain countries were closer to China.

Comment No. 6: If Joko Widodo was to become the next president, what will happen with Indonesia's preparation for the AEC 2015? Will be delayed or not? Also who do you think will be the next foreign minister in a Joko Widodo cabinet?

Response:

Mr. Meidyatama conceded that he did not know what PDI-P's specific intention towards AEC 2015 was. However he argued that the business sector was very committed to the AEC 2015 and would ensure there would be no renegotiation for the AEC 2015 deadline. As such he argued that the next government would continue to be committed to AEC 2015 because of the pressure from the business sector. He also argued that, to his knowledge, Joko Widodo was not too plugged in with the individuals from the foreign ministry so it was unlikely that he already had a favourite to be foreign minister if he were to be elected president. He also noted that if Joko Widodo were to become president it would be interesting to see if he attended a number of major international and regional summits soon after his inauguration. In particular, there would be the ASEAN Summit, G20 Summit and APEC Summit within the first few weeks of the new



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president. He said that it would be interesting to see if the next president would attend these summits or if he would stay in Jakarta and conduct the traditional horse trading to decide the new cabinet. Mr. Meidyatama suggested that whether the next president stayed in Jakarta or went to the international summits would indicate whether the next government would be more focused towards internal or external issues.

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