

# The Domestic Politics of Indonesia's Approach to the Tribunal Ruling and the South China Sea

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Indonesia's immediate response to the 12 July ruling by the Arbitral Tribunal was under-whelming. The foreign ministry issued a bland, lacklustre five-sentence statement:

- Indonesia calls on all parties to exercise restraint and refrain from escalatory activities while securing Southeast Asia from military activities that could threaten peace and stability, and instead should respect international law, including 1982 UNCLOS.
- Indonesia calls on all parties to continue the common commitment to uphold peace and exhibit friendship and cooperation, as have been well-sustained thus far.
- Indonesia urges all parties in the South China Sea to behave and conduct their activities according to agreed-upon principles.
- Indonesia will continue to push for a peaceful, free, and neutral zone in Southeast Asia to further strengthen the ASEAN political and security community.

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- Indonesia urges all claimant states to continue peaceful negotiations over the overlapping sovereignty claims in the South China Sea according to international law.<sup>1</sup>

At first glance, there is nothing fundamentally disagreeable about the statement. After all, Indonesia remains technically a non-claimant in the South China Sea dispute. Upon closer examination, however, the statement appears to be yet another example of Indonesia's inconsistent approach to the South China Sea, as well as to increasing encroachments by China into the country's 200 nautical mile exclusive economic zone (EEZ) around the Natuna Islands. Indeed, just a few weeks prior to the ruling, Indonesian President Joko Widodo (better known as Jokowi) staged a symbolic "show of force" by visiting the Natunas aboard the same warship that fired on Chinese fishing vessels operating in the area the week before. What then explains Indonesia's lacklustre response to the ruling and general inconsistency over the South China Sea problem?

This article argues that Indonesia's inconsistency should be placed within the deeper and broader historical ambivalence embedded in the bilateral relationship with China and in Indonesia's awkward non-claimant position, as well as the country's chaotic domestic maritime security governance. These permissive (or antecedent) conditions, however, are necessary but insufficient to explain Indonesia's lukewarm response to the ruling. This article argues that President Jokowi's lack of personal interest and grasp of foreign policy provides the more proximate (or triggering) condition behind the response. Specifically, his aloofness has led to deteriorating bureaucratic politics and the growing influence of a small number of advisers outside of the foreign ministry — a "foreign policy oligarchy" if you will — in the formulation of the country's China policy. Taken together, these permissive and triggering conditions point to the primacy of domestic politics, rather than well-developed geopolitical considerations, in shaping Indonesia's overall approach to the South China Sea, and its insipid response to the ruling in particular. The following sections expand and elaborate these arguments.

### **Indonesia's China and South China Sea Challenges**

Scholars have noted that given the tumultuous history of Indonesia–China ties going back to the 1950s, Jakarta's political elite have always been ambivalent about China.<sup>2</sup> This ambivalence has been shaped by China's geographic proximity, how its expansionist history has

been taught in Indonesian schools and by the controversial role of ethnic Chinese-Indonesians in the economic life of the country (and the history of violence against them). Recently, even as Indonesia's prosperity has been increasingly tied to China's growth, Jakarta has become wary about the incompatibilities between the economies of the two countries, which drives the depiction of China as a strategic "challenge", rather than a direct "threat". These doubts constantly re-emerge whenever China is talked about in Indonesia.

As far as the public is concerned, perceptions of China are more contradictory. A 2005 poll by the Pew Research Center noted that 60 per cent of Indonesians welcomed the idea of a strong China that could rival American military strength. Similarly, a 2006 poll by the Lowy Institute suggested that over half of Indonesians thought that China could "somewhat be trusted". However, nearly half of respondents in 2008 were worried that China could become a military threat, and only 27 per cent were comfortable with the idea of China being the leader in Asia. By 2010, only 58 per cent of respondents had a "favourable" view of China.<sup>3</sup> These figures suggest both the degree to which Jakarta's elite dominate the China narrative, as well as the lack of informed foreign policy opinion on China. A recent survey by the University of Indonesia noted, for example, that less than 12 per cent of the public knew about the South China Sea problem and why it matters for Indonesia.<sup>4</sup>

With the public effectively providing no serious check on the China narrative, and the elite continuing to exhibit historical ambivalence, it is not surprising that Indonesia's South China Sea policy has been plagued with dilemmas as well. On the one hand, Indonesia does not acknowledge China's nine-dash line claims in the South China Sea — in 2010 it submitted a letter to the United Nations stating that the line was incompatible with UNCLOS — and that therefore it is not a claimant in the dispute. The foreign ministry believed that this position would allow Indonesia to play a constructive, "honest broker" role in the dispute, particularly through an ASEAN–China framework. More importantly, it would allow Jakarta to further exploit the rich hydrocarbon and marine resources in the waters surrounding the Natunas. After all, militarily, there are few options available for the Indonesian defence establishment to change Beijing's calculus.<sup>5</sup>

However, on the other hand, the "non-claimant honest broker" position has in recent years diminished Indonesia's strategic capital in the region as China's militarization of (and its "salami slicing" tactics in) the South China Sea has rapidly changed the facts on the

ground (or on the water). This is particularly the case when Jokowi himself appears uninterested in foreign affairs (discussed further below) and has appeared bent on seeking closer ties with China to further his economic development agenda. In fact, some in the region have begun to wonder whether Indonesia's position represents an effort to keep the status quo between China and Indonesia while shying away from a leadership role in ASEAN. In other words, they have been left wondering whether Indonesia is sacrificing ASEAN at the altar of better (economic) relations with China.

The tensions in both the Natunas and the South China Sea have been exacerbated by the chaotic nature of Indonesia's domestic maritime governance. Maritime law enforcement in particular has gained strategic significance as illegal, unregulated, and unreported fishing (IUU fishing) activities, especially those conducted by China, are becoming an increasing source of contention and potential conflict in the region. In general, there have been overlapping authority and functions between Indonesia's multiple maritime security agencies; in the Natunas, this is primarily between the Indonesian Navy (TNI-AL), Maritime Security Agency (Bakamla) and the fisheries ministry's IUU Fishing Task Force (*Satgas 115*). These different agencies have their own command and control systems, standard operating procedures and operational capabilities, but they all "take turns" in patrolling Indonesian waters, including in sensitive areas such as around the Natunas.

The problem lies in the absence of a centralized hub coordinating and controlling the entire maritime security establishment. For one thing, the establishment of Bakamla in 2014, which was supposed to be the designated coast guard, did not resolve the overlapping jurisdictions and under-institutionalized maritime inter-agency operations. For another, Jokowi's elevation of the popular and assertive Susi Pudjiastuti as fisheries minister escalated the bureaucratic infighting. Some of her policies — especially the unnecessarily frequent destruction of foreign vessels caught and convicted of IUU fishing — have led to growing, albeit less public, friction with the navy for example. This bureaucratic scramble matters because as IUU fishing takes a more prominent space in Jakarta's strategic landscape, who gets to patrol Indonesian waters under what authority and capacity has strategic implications. Taken together, these conditions, from overall ambivalence to bureaucratic infighting, point to the broader institutional and historical context in which Indonesia's South China Sea policy has been formulated.

### **Dysfunctional South China Sea Policy under Jokowi**

Despite the literature on how democratization transformed Indonesia's foreign policy, the Jokowi administration's China and South China Sea policies suggest that foreign policy-making remains strongly, perhaps even idiosyncratically, a presidential affair. This is partially a legacy of the centralized system entrenched under President Soeharto's New Order and partially because successive post-Soeharto presidents never paid serious and sustained attention to developing a professional, well-funded and well-oiled foreign policy-making system.<sup>6</sup> Consequently, Jokowi's personal aloofness on foreign affairs, his seemingly narrow domestic economic agenda, and his preoccupation with domestic politics, have prevented Indonesia from marshalling the nation's strategic community to forcefully, coherently and consistently respond to day-to-day challenges, including in the South China Sea.<sup>7</sup> This problem is compounded by the elimination of the Yudhoyono-era foreign affairs spokesperson office, the appointment of Jokowi's chief foreign policy adviser, Rizal Sukma, as ambassador to the United Kingdom, and the removal of Andi Widjajanto, a noted foreign policy analyst, as cabinet secretary.

However, while Jokowi adopts a devil-may-care attitude to foreign policy in general, he takes China policy more seriously, believing it to be crucial for his domestic agenda. With regard to the lacklustre response to the ruling, insiders argue that the bland statement of 12 July came after cabinet-level debates going back at least a few weeks. This was one of the few instances where a foreign policy matter, traditionally the foreign ministry's domain, was deliberated by the whole cabinet. The President, following strong suggestions by at least two ministers, was leaning against issuing a specific statement. After numerous debates and high-level lobbying (including, allegedly, involving Beijing), it was finally agreed that Indonesia would issue a statement, even a bland one, because it was better than no statement at all.<sup>8</sup>

On a personal level, observers have noted that Jokowi feels a strong and cordial rapport with Chinese President Xi Jinping and that they communicate regularly. But the role of cabinet members believed to be "pro-China" in their positions cannot be underestimated. These members, particularly State-Owned Enterprises Minister Rini Sumarno, and the then Coordinating Minister for Political, Legal, and Security Affairs Luhut Pandjaitan (who is now Coordinating Minister for Maritime Affairs), are among Jokowi's most trusted advisers, especially on foreign policy. They are Jokowi's top political operators and he relies on them to get most of his

policy agenda off the ground. In fact, arguably, Jokowi cannot win a re-election campaign without these two figures running the show.

While Sumarno's ties with Beijing have been reported during her time as a minister under the Megawati administration (2001–04), Pandjaitan's business empire expanded after he joined the Jokowi bandwagon.<sup>9</sup> Pandjaitan's role in shaping China policy is noteworthy, as officials occasionally noted how his staff would run interference during some of the ASEAN–China diplomatic meetings. With these key players essentially determining China policy at the top, other bureaucratic players — from the ministries of fisheries, defence and foreign affairs, to the different maritime security agencies — had to argue among themselves, which further hindered the formulation of a coherent South China Sea policy.

### **What Lies Ahead?**

The combination of Indonesia's China ambivalence and Jokowi's lack of interest in foreign policy has led to an inconsistent policy over the South China Sea. The presence of a foreign policy oligarchy in particular led to the lacklustre response to the ruling. These conditions suggest that while there might be occasional examples of Jokowi seemingly “pushing back”, such as the visit to the Natunas, Indonesia will continue to under-balance against China.<sup>10</sup> As far as the response to the ruling itself, Indonesian foreign policymakers seem ready to move on from it, as has been demonstrated in several ASEAN meetings since the Tribunal issued its ruling. In that sense, while the ruling vindicated most of Jakarta's long-held positions on the South China Sea under UNCLOS, it is for all intents and purposes no longer a strategic urgency for policymakers in Jakarta to deal with.

Perhaps more importantly, Jakarta is now closely observing how Philippine President Rodrigo Duterte approaches the South China Sea dispute, and whether he will adopt, as his comments seem to suggest, a more pro-Beijing posture than that of his predecessor Benigno Aquino who initiated the arbitration process. Policymakers believe that the Philippines, as the ASEAN Chair in 2017 (during the group's fiftieth anniversary) and the next country coordinator for ASEAN–China relations, would be of critical importance. Thus, given Indonesia's declining strategic capital in the region, ASEAN will instead be looking to Manila for cues on how to engage China and deal with its hegemonic behaviour. As Indonesia is therefore seemingly “buck-passing” to Manila, expectations for the country's leadership is perhaps best tempered, going forward.

## NOTES

- <sup>1</sup> See the full text of the response in “Indonesia Serukan Semua Pihak untuk Menghormati Hukum Internasional Termasuk UNCLOS 1982” [Indonesia Calls on All Parties to Respect International Law including 1982 UNCLOS], *Siaran Pers Kementerian Luar Negeri* [Ministry of Foreign Affairs Press Release], 12 July 2016, available at <<http://kemlu.go.id/en/berita/siaran-pers/Pages/Indonesia-Serukan-Semua-Pihak-untuk-Menghormati-Hukum-Internasional-Termasuk-UNCLOS-1982-.aspx>>.
- <sup>2</sup> See Rizal Sukma, “Indonesia–China Relations: The Politics of Re-engagement”, *Asian Survey* 49, no. 4 (July/August 2009): 591–608; Daniel Novotny, *Torn Between America and China: Elite Perceptions and Indonesian Foreign Policy* (Singapore: Institute of Southeast Asian Studies, 2010).
- <sup>3</sup> These polls are discussed in Evan A. Laksmana, “Variations on a Theme: Dimensions of Ambivalence in Indonesia–China Relations”, *Harvard Asia Quarterly* 13, no. 1 (Spring 2011): 26.
- <sup>4</sup> See Natalia Soebagjo and Rene Pattiradjawane, *Jajak Pendapat Umum 2014: Persepsi Masyarakat Indonesia terhadap RRC* [2014 Public Opinion Poll: Perception of Indonesian Society of the People’s Republic of China] (Jakarta: University of Indonesia’s Center for Chinese Studies, 2014), p. 40.
- <sup>5</sup> The military has held exercises in the vicinity of the Natunas since the mid-1990s, the most recent being in October 2016 by the air force. While explicit mention of Beijing (as the “target”) by military officers has waxed and waned over the years, there is no evidence that the exercises themselves have impacted Beijing’s strategic calculus.
- <sup>6</sup> After 1998, only the reforms instituted under Foreign Minister Hassan Wirajuda are noteworthy. But those reforms were not well-funded, nor were they sustainable. See Greta Nabbs-Keller, “Reforming Indonesia’s Foreign Ministry: Ideas, Organization and Leadership”, *Contemporary Southeast Asia* 35, no. 1 (April 2013): 56–82.
- <sup>7</sup> See Aaron L. Connelly, “Sovereignty and the Sea: President Joko Widodo’s Foreign Policy Challenges”, *Contemporary Southeast Asia* 37, no. 1 (April 2015): 1–28.
- <sup>8</sup> A previous draft of the statement had actually mentioned the ruling and its merits as well as Indonesia’s specific support for the processes which could help strengthen the country’s well-known position on the South China Sea.
- <sup>9</sup> A few weeks after the March 2016 incident in the Natunas, local press reported that Pandjaitan’s business network was one of the few who benefited from Chinese infrastructure loans. See more details in Alfin Tofler and Adam Rizky Nugroho, “Pinjaman China \$3 Miliar untuk Bank BUMN Mengalir ke Korporasi Besar Ini” [Three Billion Dollars of Chinese Loans to State-Owned Banks went into Big Corporations], *Bareksa Investment Portal*, 28 April 2016, available at <<http://www.bareksa.com/id/text/2016/04/28/pinjaman-china-3-miliar-untuk-bank-bumn-mengalir-ke-korporasi-besar-ini/13214/news>>.
- <sup>10</sup> “Under-balancing” happens when a threatened state fails to correctly perceive the threat posed by another state, or simply does not react appropriately to it. See Randall Schweller, *Unanswered Threats: Political Constraints on the Balance of Power* (Princeton, New Jersey: Princeton University Press, 2006).