Pragmatic Equidistance

How Indonesia Manages Its Great Power Relations

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This chapter describes the rationale and nature of Indonesia’s foreign policy vis-à-vis the United States and China. It places Indonesia’s foreign policy pertaining to these two countries within the broader context of Jakarta’s overall management of its great power relations. I argue that Indonesia’s approach can be described as one of “pragmatic equidistance.” As an approach to great power management, pragmatic equidistance captures the idea of fully engaging one great power in various forms of cooperation—from economic to defense matters—while simultaneously both maintaining strategic autonomy and keeping equal balance with other great powers. Put differently, it is about how a developing country with a rising regional and global profile like Indonesia can fully exploit the benefits of strategic partnerships with different great powers while maintaining autonomy and not being pegged as too close with one great power at the expense of another. I further argue that Indonesia’s pragmatic equidistance with the United States and China is a function of (1) the historical legacies in bilateral relations, (2) the end of authoritarian rule in 1998 and the ensuing democratization process, and (3) the changing strategic environment in the broader Indo-Pacific. These conditions overlap and help explain the persistent ambiguity in the triangular Indonesia-U.S.-China relations.

The following sections expand these arguments. The first section describes two concepts—limited alignment and omni-enmeshment—as the underpinning theoretical framework for the pragmatic equidistance policy. It also places Indonesia’s overall foreign policy strategy vis-à-vis the great powers within the broader pattern of how Southeast Asian countries engage the great powers. The second section describes the elementary foundation and domestic drivers of Indonesia’s foreign policy. In particular, it highlights how the democratization process has overhauled Indonesia’s foreign policy by expanding the complexity of foreign policy making, “democratizing” the Ministry of Foreign Affairs’ foreign policy formulation process, and placing democratic
values projection as one of Indonesia’s central foreign policy goals. The third section applies the insight from the previous sections to describe the complicated balancing act Jakarta has had to implement in its relationship with Washington and Beijing. The triangular relationship highlights how pragmatic equidistance works in practice. Finally, I draw some conclusions at the end and provide an initial assessment of how pragmatic equidistance can also help us make sense of, and even anticipate, Indonesia's foreign policy under the new Joko Widodo administration.

Limited Alignments, Omni-Enmeshment, and Pragmatic Equidistance

Indonesia’s management of its great power relations is not unique. Indeed, the basic contours of how it manages its great power relations are consistent with the broader pattern of how developing countries, especially those in Southeast Asia, deal with regional major powers. As such, I propose that two interrelated concepts—limited alignment (Ciorciari 2010) and omni-enmeshment (Goh 2007/8)—provide us with a sound theoretical vantage point from which we can make sense of Indonesia’s great power management strategy, which I call “pragmatic equidistance.” Pragmatic equidistance describes a preferred balance between deeper engagement and strategic autonomy with several great powers simultaneously based more on pragmatic interests than normative concerns. The following elaboration of limited alignment and omni-enmeshment should clarify this proposition.

In the past decade, Indonesia’s regional and global profile has been rising, partially due to its economic success story and its consolidating democracy. Indonesia is poised to be the next major economic power (already the tenth largest economy according to the World Bank in 2014), it has already been a historical leader in Southeast Asia, and it has tried to make distinctive contributions to G-20 deliberations while being among the most consistent contributors to UN peacekeeping operations (Laksmana 2011a; Reid 2012). It has also begun its foray into global environmental and health policies, while maintaining its traditional leadership role in a wide range of security issues, such as the peaceful management of the South China Sea disputes, and an array of multilateral institutions, ranging from the Association of Southeast Asian Nations (ASEAN) to the Organization of Islamic Cooperation and the Asia-Pacific Economic Cooperation (APEC). How Jakarta deals with established great powers like China and the United States therefore cannot be decoupled from this context.

The story of Indonesia's rising profile however is also a story of domestic politics, which I will elaborate further in the next section. Suffice it to note
for now that as Indonesia’s economic, political, and military potentials are still in their early stages of development, its domestic politics often takes priority when it comes to foreign policy matters. But the nature of the regional environment has also shaped different foreign policy options and strategies available to policy makers. After all, developing countries are more likely to be concerned with their immediate neighbors than far-flung global interests. Taken as a whole, the primacy of domestic politics further explains why developing states, like Indonesia, are more likely to have limited alignment as their strategic outlook, while the regional environment explains why specific omni-enmeshment strategies were pursued.

We can see limited alignment when a state tilts toward one or more great powers to obtain some measure of security support but entails lower commitments and a less binding security relationship (Ciorciari 2010: 3–8). It typically includes arrangements for preferential arms sales, joint training exercises, and other forms of military aid without a general pledge of combat support. Developing states tend to pursue this strategy because they believe flexible security arrangements will provide the best ratio of risks to rewards—often seen through the lens of domestic politics—under conditions of strategic uncertainty (Ciorciari 2010: 8). This is because a tight alignment with established great powers can diminish the weaker partner’s independence and alienate domestic actors (Ciorciari 2010: 9). In cases where the domestic political context is particularly problematic—when policy makers are polarized, for example—limited alignment can be a convenient default strategy between the more risky alternatives of tight alliance and strict nonalignment (Ciorciari 2010: 10).

While limited alignment draws our attention to the importance of domestic politics, it helps us understand only Indonesia’s bilateral relationship with any given great power. Given the traditional centrality of Southeast Asia and ASEAN in Indonesia’s foreign policy, we need a second concept to place the country’s great power management within the broader regional and multilateral contexts. This is where omni-enmeshment comes in. Omni-enmeshment is the process of engaging a major power so as to draw it into deep involvement with a regional society and enveloping it in a web of sustained exchanges and relationships (Goh 2007/8: 121). As a pathway to regional order, omni-enmeshment functions through (1) legitimate inclusion, forging bilateral economic and political-military ties with the major powers and including them as partners in regional institutions to legitimate their regional security roles; (2) institutionalized interaction, enfolding the major powers within multiple bilateral agreements and multilateral frameworks to regulate and coordinate intraregional interaction; and (3) cooperative security, cooperating through
ascription to norms and principles, and through informal dialogue and exchange to cultivate a climate of conflict avoidance and functional cooperation (Goh 2007/8: 130–31).

As a specific foreign policy strategy, omni-enmeshment can be pursued bilaterally and multilaterally. Bilaterally, we can see it in Indonesia’s deliberate cultivation of multiple strategic relationships with major powers out of concern for diversifying security partners and cooperation over intraregional security concerns (Goh 2007/8: 126). We will discuss specific aspects of Indonesia’s bilateral relations with the United States and China in the next section. Multilaterally, ASEAN and its “offspring” institutions such as the East Asia Summit and the ASEAN Regional Forum, are seen as channels for implementing enmeshment policies when member states have agreed that their incremental and informal processes were suitable to particular pursuits, such as the desire to boost regional leadership or to fulfill the imperative of strategic diversification (Goh 2007/8: 128–29). Historically, Indonesia has had such designs in mind when viewing ASEAN and its regional environment.

This is particularly the case when we consider that Indonesia’s support for ASEAN and its associated institutions is also based on the notion that bringing the major powers into these organizations can tie them down by creating expectations and obligations (Goh 2007/8: 122–23). It does not hurt as well that ASEAN’s greater effectiveness might boost Indonesia’s competitive position in the global arena; Jakarta is a more significant actor and attractive partner in the eyes of extra-regional powers when leading a united ASEAN (Ruland 2013: 16). ASEAN has also been influential in allowing Indonesia to shape the broader regional dynamics beyond Southeast Asia. It is not surprising therefore that Indonesia’s foreign policy elite have repeatedly stated that the promotion of multilateralism and cooperative security through ASEAN is a key priority (Novotny 2010: 19–20). After all, ASEAN has proven to be successful at reversing Indonesia’s tarnished international image and brought back international investors in the 1970s (Haftel 2010). These positive expectations are not always borne out in reality, however. In cases where the key interests of the major powers are at stake, such as the case in the South China Sea, the immediate effects and utility of multilateral omni-enmeshment are not readily apparent. As such, despite recent criticisms that Indonesia does not seem to focus on ASEAN under its new president Joko Widodo (e.g., Poole 2015), the country’s basic strategic lens with regards to ASEAN has not fundamentally changed.

Taken as a whole, limited alignment is a general outlook guiding developing and rising states like Indonesia in their engagement with established great powers as a function of domestic politics and highlights the value of
maintaining strategic autonomy, while omni-enmeshment helps set the specific bilateral and multilateral foreign policies as a function of the regional environment. Together, these two concepts underpin Indonesia’s pragmatic equidistance with both the United States and China. To specify this further, we shall now turn to the foundation and domestic drivers of contemporary Indonesian foreign policy.

Indonesia’s Foreign Policy: Elementary Foundation and Democratic Consolidation

There is more continuity than change when it comes to the basic premise of Indonesia’s foreign policy. For one thing, the ideational foundations of Indonesia’s foreign policy are deeply nationalist and rooted in the vicissitudes of its history—including Dutch colonial rule, the Japanese occupation during World War II, and the subsequent armed struggle for independence as well as the exigencies of the Cold War (Ruland 2013: 7). All of these inculcated in Indonesian foreign policy elite a deep distrust toward a seemingly hostile external world and a profound sense of vulnerability (Weinstein 1976). As such, Indonesia’s foreign policy has been traditionally shaped by the constant efforts to “eliminate various security threats” (broadly defined), and to maintain a sufficient strategic space for maneuvering and a favorable position vis-à-vis other states (Novotny 2010: 7). However, what those threats are precisely and how they affect specific foreign policy goals are seldom specified. Indeed, a survey of Indonesia’s foreign policy elites reveals that there is substantial disagreement among the key decision and opinion makers about the conception of national interests and what these and the international context demand (Novotny 2010: 63).

This lack of consensus is a function of both the expansively normative conception of the “independent and active” foreign policy doctrine as well as the imperatives of domestic politics, especially presidential interests and styles. At its most basic, the independent and active doctrine—as defined by Vice President Mohammad Hatta in the late 1940s—is built upon four premises: (1) the conduct of foreign policy should be based on the state’s Pancasila (five principles) ideology, (2) foreign policy should be aimed at safeguarding the national interest as defined in the Constitution, (3) the pursuit of national interest is best served through an independent policy, and (4) foreign policy should be conducted pragmatically, that is, it “should be resolved in the light of its own interests and should be executed in consonance with the situations and facts it has to face” (cited from Sukma 1995: 308). In short, given the Cold War context, Hatta argued that “Indonesia plays no favorites between the two
opposed blocs and follows its own path through the various international problems. It terms this policy ‘independent’ and further characterizes it by describing it as ‘independent and active.’ By active I meant the effort to work energetically for the preservation of peace, through endeavors supported if possible by the majority of the members of the United Nations” (cited from Leiffer 1983: 29).

This doctrine has provided and will continue to provide the core foundation of Indonesia’s foreign policy. Although it was initially formulated during the Cold War, its meaning has expanded and become synonymous with autonomy, which stands not only for foreign policy pragmatism but also for Indonesia’s “self-styled role of a regional leader and major player in world politics” (Ruland 2013: 8). In short, the principle defines a foreign policy in pursuit of national interests as determined by the incumbent president, and the success or failure to promote or protect those interests is a function not of rhetorical appeal to the principle but of the mobilization and deployment of real capabilities (Weatherbee 2005: 155). Put differently, the foundational nature of Indonesia’s independent and active doctrine is a “constant,” but its implementation could be “recalibrated” by different presidents. Today, despite new foreign policy outlooks, such as President Joko Widodo’s “global maritime axis,” the essence of the independent and active doctrine remains.²

If the independent and active doctrine is the constant in Indonesia’s foreign policy, then domestic politics has been the key variable for the past several decades (cf. Sukma 1995; Leiffer 1983; Novotny 2010). Most recently, the process of democratic transition and consolidation since 1998 has overhauled the operationalization and constrained the reinterpretation of the doctrine, as several studies have shown (Murphy 2012; Ruland 2013; Sukma 2011; Gindarsah 2012). I argue further that democratization has changed Indonesia’s foreign policy system—“the input, process, and output”—through (1) the expansion in the number and different types of actors that can now shape foreign policy making, (2) the “institutional democratization” of the foreign ministry and how they formulate and execute their tasks, and (3) the growing centrality of democratic values projection.

Growing Complexity of Foreign Policy Making

Under the New Order regime, the president and his inner circle (many members of which came from the military) made most foreign policy decisions. And while the House of Representatives (DPR) had the power to ratify treaties, it acted for the most part as the president’s rubber stamp (Anwar 2010: 128). The democratic transition in 1998, however, catapulted the DPR’s role
in foreign policy making through a series of constitutional amendments. The
first amendment practically allows the DPR to approve or reject the president’s
ambassadorial candidates. This provision was meant to abolish the Suharto-era
practice of using ambassadorial postings as sticks and carrots for aides or senior
military figures (Anwar 2010: 128). The amendment also included a provision
that gives the DPR the right to “approve” ambassadors being sent to Jakarta by
other countries (Anwar 2010: 129). Law No. 24 of 2000 on International Agree-
ments, which mandated an extensive consultation and coordination process
between the executive, the legislature, and other relevant agencies, strengthened
this amendment (Nabbs-Keller 2013: 65).

Beyond ambassadorial selections, the DPR has also been given more sub-
stantive oversight role in foreign policy making, including the ratification of
international agreements signed by the government and over the budget of the
Ministry of Foreign Affairs. For example, the parliament has been instrumental
in persuading the government to elevate democracy and human rights as for-
eign policy norms, and after the ratification of the ASEAN Charter, it also en-
sured that the government pressed for substantive amendments (Ruland 2009).
However, as the case of Indonesia’s support for UNSC Resolution 1747 over Ira-
nian nuclear program sanctions showed, the DPR’s exercise of its foreign policy
oversight often has to do less with their sound judgment of international affairs
and more to do with domestic political squabbles and the parties’ disenchant-
ment over cabinet posts (Gindarsah 2012). Indeed, the DPR’s review process
and Indonesia’s political culture, which favors coalition building between the
president and the political parties, have increased the burden of the executive’s
responsibility in foreign policy making (Gindarsah 2012: 419–20).

In addition to the DPR’s growing role, democratization has opened the
door for various domestic public opinion makers as well as special interest
groups to have further input in the country’s foreign policy making. The
effects of these non-state groups and the weight of public opinion vis-à-vis
foreign policy making however are more indirect. As Indonesian political
leaders tend to be more sensitive to a wider range of public opinion and aspi-
rations during the democratic consolidation phase (Pepinsky 2010; Mietzner
2009), they are also more likely to be “image conscious.” Indeed, President
Yudhoyono’s consideration over foreign policy issues has occasionally taken
into account the views of civil society groups and the press for personal
image-building reasons (Laksmana and Soesastro 2010). In other instances,
however, civil society groups have occasionally tried to directly influence the
direction of the country’s foreign policy in areas such as climate change and
the implementation of the “Responsibility to Protect” principle (Alexandra
2012; Nabadan 2010).
Institutional “Democratization” of Foreign Policy Making

The primacy of domestic politics, as defined by the president as well as the politicization and militarization of foreign policy making under Suharto, have contributed to the lack of the highest standards of “diplomatic professionalism” within the foreign ministry (Nabbs-Keller 2013). However, between 1999 and 2004, a series of laws and decrees placed Indonesia’s foreign policy on a firmer institutional footing and augmented civilian authority and capacity, especially through the country’s first national law on foreign relations (Law No. 37/1999) (Nabbs-Keller 2013: 65). The law redefined Indonesia’s foreign relations as “all activities encompassing regional and international aspects conducted by the Government at the central and regional levels, or institutions, state agencies, business organizations, political organizations, community organizations, non-government organizations or Indonesian citizens.” While this definition may seem too broad, it helped facilitate the institutional “democratization” of the foreign ministry and its activities.

Besides having to defer more closely to the wishes of the DPR, the foreign ministry began to involve other stakeholders to ensure a wider sense of ownership of the country’s foreign policy. Indeed, former Foreign Minister Hasan Wirajuda made a conscious effort to democratize the foreign-policy-making process by actively consulting and engaging think tanks, academics, religious groups, the media, and civil society organizations. He also frequently commissioned papers from leading academics that would be openly discussed in workshops to provide policy inputs to the ministry and held regular closed briefings with opinion makers through informal forums such as the “foreign policy breakfast” (Anwar 2010: 131). According to one scholar, such a shift has increased the crucial role of the foreign ministry as an entrepreneur of new ideas and foreign policy practices (Nabbs-Keller 2013).

Projection of Democratic Values Abroad

In parallel with these developments, Indonesia has sought to project its democratic values across international borders—from the ASEAN Political Security Community (APSC) project to the Bali Democracy Forum and others. While democratic projection initially entered Indonesia’s foreign policy lexicon as a way to restore its battered post-transition image in the late 1990s (Murphy 2012: 90), it was not until under President Megawati Sukarnoputri that it was firmly established as one of the country’s key pathways to burnish its soft power credentials. In addition, after several years of looking inward since 1998, the country’s economic recovery helped to “improve the country’s
international image and also injected a new sense of self-confidence in the articulation and implementation of its foreign policy” (Anwar 2010: 127). All things considered, Indonesian leaders believe that their experience transitioning from an authoritarian rule to peacefully resolving conflicts, managing a terrorist threat, and overcoming an economic crisis gives them the credibility to address many of today’s challenges (Murphy 2012: 85).

The APSC project in particular was initially proposed as a way for ASEAN member states, individually and collectively, to promote their “people’s participation, particularly through the conduct of general elections and human rights . . . [and] through the establishment of the ASEAN Commission on Human Rights” (cited from Sukma 2011: 114). Indeed, as highlighted by Wirajuda, “For Indonesia, the evolution of an ASEAN that is more alert to democratic principles and good governance is critical to ensure that there would not be a disconnect or divide between the transformation that has taken place in Indonesia and the regional milieu” (cited from Anwar 2010: 133).

Consequently, Indonesia now views its own regional neighborhood through the lens of democracy. We can see this, for example, in how Indonesia pressed for and supported ASEAN’s regional efforts to gradually accelerate Myanmar’s democratic transition and consolidation process in the past several years (Hlaing 2008; Dosch 2008; Ruland 2009) and, most recently, in its call to Thailand to end its May 2014 martial law and for the military to restore democracy (Ririhena 2014). Indeed, the foreign ministry has explicitly placed the expansion of Indonesia’s global and regional identity as a democratic country as part of its long-term strategic plan through 2024 (Vermonte 2014: 208).

Normatively, the regional promotion of democratic and human rights norms—norms that are enjoying great international recognition—through ASEAN endows Indonesia with respectability and places its claims for regional leadership on a normative high ground (Ruland 2013: 14). Instrumentally, as discussed in the previous section, democratic value projection abroad can be seen as part of the foreign ministry’s efforts to regain and strengthen civilian control over foreign policy decision making and to ameliorate widespread bureaucratic inefficiencies within the ministry. In addition, the projection of a democratic foreign policy also served important political functions in enhancing the government’s legitimacy to both domestic and international constituencies (Nabbs-Keller 2013: 70).

The democratic value projection has also been associated with growing awareness of the broader society on foreign policy issues. This awareness however appears to be more closely aligned with a sense of self-entitlement. A 2012 survey suggests that around 80 percent of the public felt that the coun-
try has what it takes to become the next great power (Luftia 2012). But the
poll also noted that any global role is measured more by Indonesia’s state
capacity—through its ability to provide a sufficient supply of food, clothing,
and shelter (32 percent), for example—than global leadership. Other polls
also indicate a certain popular acknowledgment of Indonesia’s special status.
When asked in 2011 “about Indonesia’s influence generally in the world com-
pared to other countries,” 20 percent of Indonesians put it among “the top
10 most influential countries” (Quayle 2013: 310). While the surveys might
conflate the potential to become a great power, the necessary prerequisites to
become one, and what it means to behave like one, they highlight the societal
aspirations to a global profile. One scholar claimed that “all sectors of Indo-
nesian society back the country’s aspirations to take on a more active role in
international affairs” (Sukma 2011: 117).

Democratic value projection has not been without its challenges, however.
Indonesia’s democratic credentials have been constantly challenged by persis-
tent problems of corruption, domestic political scandals, social violence, and
terrorism as well as communal tensions, weak law enforcement, and growing
religious intolerance (Sukma 2011: 118). In addition, the democratic gap in
Southeast Asia, a region dominated by authoritarian and semiauthoritarian
regimes, also makes Indonesia’s democratic projection that much harder to
fulfill. Indeed, Indonesia’s neighbors have been less than enthusiastic about
Jakarta’s promotion of human rights and democratic values, especially given
the long-standing history of “noninterference” in fellow ASEAN member

Taken as a whole, these contexts help us understand how Indonesia
manages its pragmatic equidistance with the United States and China. For
example, the DPR and business community have had more input over Indo-
nesia’s China policy, especially as it pertains to the ASEAN-China Free Trade
Agreement. The professionalization of the foreign ministry has facilitated a
more thoughtful, coherent, and consistent foreign policy strategy. Meanwhile,
the projection of democratic values has partially facilitated efforts to fully
normalize military-to-military relations with the United States and allowed
Washington to further support Indonesia’s growing regional and global lead-
ership. We will explore these issues in the next section.

Squaring the Triangular Balance: Jakarta’s Relations with
Beijing and Washington

To be clear, Indonesia’s great power management involves other countries
than the United States and China, including Japan, Australia, Russia, and
even India. For instance, Jakarta signed eighty-six bilateral defense and security agreements and partnerships with thirty-one countries between 1999 and 2014 (Laksmana 2014a: 37). Historically, however, Washington and Beijing have figured much more prominently in Indonesia’s strategic thinking (Novotny 2010). This section thus focuses on Indonesia’s efforts to balance its limited alignments with both countries, even as it still relies on various multilateral mechanisms (primarily through ASEAN) to sustain its pragmatic equidistance.

Indonesia has been considered “one of the clearest cases of limited alignments in modern Southeast Asia” (Ciorciari 2010: 136). For one thing, external threats have been relatively modest and internal security threats have historically been more prominent (Laksmana 2011b). For another, the possible rewards of a tight alliance with a great power have been unappealing because Indonesian officials rarely believe that the United States and other great powers possess the tools and credibility to deal with Indonesia’s domestic security challenges (Ciorciari 2010: 136). Foreign policy makers also believe that great power alignments undermine policy independence and regime legitimacy and detract from Indonesia’s regional ambitions. Indeed, the historically limited nature of its tilt toward one great power has allowed Jakarta to publicly characterize its foreign policy as essentially independent, preserve domestic and regional prestige, and claim a leadership role in ASEAN (Ciorciari 2010: 136). This is also one of the reasons why the independent and active doctrine noted above has withstood the rise and fall of different presidents for over sixty years.

Consequently, Indonesia’s management of its great power relations may seem paradoxical and ambiguous. In the case of China, for example, Indonesia recognized its potential threat as a rising power and emphasized the need for a U.S. presence to counterbalance it. But on the other hand, Jakarta has also been expanding its bilateral relations with Beijing, from trade and investment to education and defense cooperation. At the end of the day, according to Sukma (2012: 42), “Jakarta cannot escape the imperative of having to conduct its foreign policy in the context of the complex relationship between the U.S. and China. Leaning to one side is not an option. Indonesia needs and wants both the U.S. and China as friends and partners, and would not want to see the superpowers become rivals, competing for influence in its neighborhood.” After all, given Indonesia’s concern to strengthen and capitalize on ASEAN as the primary regional institution, a Sino-U.S. rivalry could polarize ASEAN, which could turn the region once again into a “playing field” for the major powers (Sukma 2012).

This is a position that not just reflects geopolitical realities, but also has been influenced by the primacy of domestic politics in Indonesia’s foreign
policy, as we will discuss further below. For now, suffice it to note that the basis of Indonesia’s pragmatic equidistance with both the United States and China has been to maintain its commitment to the independent and active doctrine that requires Indonesia to not take sides in any major power rivalry. Furthermore, its pragmatic equidistance also complements, if not better facilitates, Jakarta’s proactive efforts to create what former Foreign Minister Marty Natalegawa calls a “dynamic equilibrium” in East Asia with ASEAN in the driver’s seat of regional architecture building. However, this notion of “ASEAN centrality” is premised upon the willingness of the region’s major powers—often contingent on Indonesia’s perceived “neutrality” as the group’s leader—to participate in the group’s multilateral processes.

Taken as a whole therefore, Indonesia’s pragmatic equidistance cannot be separated from the nature of its limited alignments with the United States and China and the omni-enmeshment of both countries through ASEAN as well as the imperatives of domestic politics. In practice, this further suggests that how Jakarta deals with Washington cannot be separated from how it deals with Beijing (Lanti 2008; Novotny 2010). We can see this, for example, in how Jakarta sought to strengthen the U.S. presence in the future East Asian community through the East Asia Summit, while simultaneously making the best out of the economic opportunities Beijing offered while embracing China within the ASEAN framework (Kosandi 2013: 198). This move was about maintaining Indonesia’s strategic independence while attempting to balance the two powers. The following sections expand and build on these arguments.

Indonesia-U.S. Relations

Indonesia’s pragmatic equidistance with the United States is rooted in the two country’s close relations for over six decades, peppered with the ebbs and flows of temporary mutual interests and contradictory policies. At the elite level, one survey concludes that Indonesia’s approach to its relations with the United States is ambiguous—Washington is seen to be both a source of potential threat as well as the main guarantor of regional stability (Novotny 2010). This ambiguity is also regularly borne out in several public opinion surveys. A Chicago Council on Global Affairs poll showed 64 percent of Indonesians lacked trust in the United States “to act responsibly” in the world, and a World Public Opinion poll found 63 percent agreed that “the US abuses its greater power to get Indonesia to do what it wants” (cited from Quayle 2013: 316). Polls conducted in the summer of 2008 showed that only 23 percent of Indonesians held either a favorable or very favorable opinion of the United States (cited from Pepinsky 2010: 4–5). But after Obama’s election, according to the
Pew Research Global Attitudes Project, more than 60 percent of Indonesians had a favorable opinion of the United States (Wike 2010). This figure held until 2013.

These fluctuations notwithstanding, Indonesia’s ongoing democratic consolidation process implies that foreign policy makers cannot fully ignore the weight of public opinion. Indeed, an increasingly open political system means that a wider range of actors can influence overall Indonesia-U.S. bilateral relations in ways antithetical to the interests of both (Murphy 2010: 375). That being said however, the United States has retained its primacy in the strategic calculus of the Indonesia’s policy makers, though in somewhat ambivalent fashion.

On the one hand, Indonesian leaders have historically seen the United States as a highly useful economic partner and provider of military goods as well as the main guarantor of regional stability. Indeed, during the first few decades of Indonesia’s independence, America’s image among Indonesia’s leaders was generally fairly positive (Ciorciari 2010). In recent years, Indonesia has also tacitly supported and facilitated U.S. military predominance in the region to indirectly deter potential Chinese aggression or domination (Goh 2007/8: 135). It participates in the annual Cooperation Afloat Readiness and Training military exercises with the U.S. Navy and regularly hosts visiting U.S. vessels, and both currently hold approximately 140 joint exercises. Jakarta also seeks to increase its own domestic “internal balancing” by attracting U.S. military aid and training (fully restored in 2006), as well as trade and economic assistance (Goh 2007/8: 136–37). In 2010, the two countries signed a Defense Framework Agreement that covered a wide range of policy areas such as security dialogue, education and training, maritime security, and military equipment procurement (Murphy 2010: 376–77).

On the other hand, Indonesian policy makers have also been doubtful of Washington’s capacity to solve Jakarta’s domestic political and security problems, and many of them have even harbored suspicion of U.S. motives and credibility. If anything, the rocky history between the two countries during the Cold War, various cultural sensitivities, and concerns over policy consistency have all contributed to those suspicions at different times (Ciorciari 2010: 140). More recently, various domestic political actors—from Islamic parties to civil society organizations—have also doubted American intentions over the extension of the global war on terror to Southeast Asia and Indonesia. Following the 2003 U.S. invasion of Iraq, for example, Colin Powell called Indonesian foreign minister Hassan Wirajuda to “persuade Indonesia to take sides”—to which he replied that Indonesia’s condemnation of the invasion was “not just the government’s position, but also that of the
civil society and the people” (cited in Acharya 2015: 81). And yet, Presidents Megawati Sukarnoputri and Susilo Bambang Yudhoyono were often criticized for their support of various counterterrorism policies and for receiving U.S. and Western counterterrorism aid.

Jakarta also fully realizes that from Washington’s viewpoint, distance and a lack of traditional ties imply that American interests in Indonesia are largely strategic. An archipelago of seventeen thousand islands stretching three thousand miles from east to west, Indonesia sits astride Southeast Asia’s vital sea lanes of communications—the freedom of navigation through which is vital for U.S. strategic interests. According to one diplomat, Indonesia is also “the only country in the Asia Pacific which, I won’t say it can stand up to China, but at least cannot be pressured into accommodating China. It has the mass, credibility to do this” (cited in Acharya 2015: 76). Washington therefore supports Indonesia’s leadership and influence in broader regional institutions in which ASEAN plays an agenda-setting role. But because its interests are strategic, U.S. policy toward Indonesia has been driven by its overarching grand strategy (Murphy 2010: 364–65), and not by shared historical bond. Given these conditions, a policy of pragmatic equidistance makes perfect sense for many in Jakarta.

**Indonesia-China Relations**

Despite shared formative revolutionary experiences, Indonesia-China relations lacked warmth and substance from the outset, especially as powerful political elites in Indonesia (primarily the military and Islamic groups) were hostile toward communism and suspicious of Beijing’s relationship with the country’s small but economically powerful ethnic Chinese population (Storey 2011: 192; Goh 2007/8: 116n12). The peak of this acrimonious relationship took place in the latter half of the 1960s and early 1970s, when, following an alleged attempted coup by a group of military officers and the Beijing-backed Indonesian Communist Party, Indonesia broke off diplomatic relations with China.

By the mid-1980s, buoyed primarily by considerations over China’s economic potential, Jakarta gradually moved to normalize its relations with Beijing (Storey 2011: 196). Yet, even after this initial step, Indonesia’s engagement with China over the next few years was still tepid and tinged with suspicion, partially because of unresolved domestic political issues surrounding the state of Chinese Indonesians and partially because of the mounting unease within Indonesia’s defense establishment over China’s military modernization program and assertive behavior in the South China Sea (Storey 2011: 199).
Despite this historical strategic ambiguity, China began to further climb the ranks of Indonesia’s strategic priorities during Sukarnoputri’s presidency. Her government’s emphasis on economic recovery became the focus of Sino-Indonesian relations between 2001 and 2004 (see details in Storey 2011: 203). It was also during her administration that China began to show a keen interest in Indonesia’s energy sector, hoping to reduce its dependence on energy supply from the Middle East and hence the Straits of Malacca (Storey 2011: 203). In addition, Indonesia’s increasingly resilient economy and huge market, as well as its strategic leadership role in ASEAN, were among the top reasons Beijing further engaged Jakarta to invest in a strategic partnership (Kosandi 2013: 193). This explains Beijing’s “charm offensive,” which included providing significant assistance during the 1997 economic crisis and the December 2004 tsunami. A year later, China announced that its investment in Indonesia could triple up to US$20 billion within five years; this is on top of the fact that China’s aid by then was already double what the United States provided (Kurlantzick 2007: 88, 98). All of these helped alleviate some of Indonesia’s earlier suspicions and concerns.

However, staying true to the impact of democratization, the implementation of the ASEAN-China Free Trade Agreement elicited domestic debates in Indonesia as the agreement had caused many small and medium-sized businesses in Indonesia to become less competitive and some even collapsed (Kosandi 2013: 186). While enjoying an increase in trade volumes with China, Indonesia had also suffered a bilateral trade deficit until very recently (Kosandi 2013: 186). Under these conditions, various domestic actors, including major businesses and corporations, have pressured the government and parliament to renegotiate terms with China—adding to the existing ambivalence in the bilateral relations.

The trade challenges notwithstanding, the strict visa control for visiting Chinese nationals has been lifted, and Chinese visitors can now obtain visas on arrival. Indonesia also granted concessions and permits to Chinese companies to be involved in Indonesia’s strategic industries (Kosandi 2013). Indeed, after decades of U.S. dominance in Indonesia’s oil industry, Jakarta has been diversifying its partners in the oil sector as officials begin to consider investment from other parts of Asia to be more attractive than from Western nations (Djalal 2011: 65–66). China’s technological prowess has also attracted Indonesia’s attention, with moves to develop closer science and technology cooperation between the two countries, including the formation of a joint committee to boost exchanges in aerospace surveying and satellite development, launch, and application (Anwar 2010: 137; “Chinese, Indonesian Presidents” 2013).
Taken as a whole, Indonesia has sought to develop closer ties with China by giving “strategic orientation” to the bilateral ties (Acharya 2015: 80). However, Indonesian officials have also said that Beijing’s bilateral investment, trade, and military cooperation plans have been rife with promises but considerably lacking in delivery. For example, President Yudhoyono would like China to build power plants in Indonesia, but a protracted dispute over the price of a liquefied natural gas supply arrangement with Fujian province has somewhat marred relations (Djalal 2011: 67). And yet, in another testament to the pragmatic equidistance policy Indonesia has in place, Yudhoyono’s China policy was more comprehensive as ties increased across a range of sectors: trade and investment remained the primary focus, but the political and security aspects of bilateral ties were also given much greater public attention (Storey 2011: 204).

In a move that highlights the complex Indonesia-U.S.-China triangular relationship, Indonesian officials and analysts suggested in 2005 that in light of America’s arms embargo over the TNI (Indonesia Armed Forces) and the absence of fully normalized military-to-military relations between Jakarta and Washington, Indonesia might be forced to turn to the Chinese or the Russians as its major military supplier. In April 2005, Chinese President Hu Jintao signed a strategic partnership agreement with President Yudhoyono, committing initially to extend credit and loans for US$300 million worth of infrastructure projects and more than US$10 billion in private-sector investment. This agreement came a few weeks before a U.S.-Indonesia memorandum of understanding for a US$74 million aid package. But by late 2005 and early 2006 Washington had restored International Military Education and Training and Foreign Military Financing programs for Indonesia despite protesters who claimed that the TNI’s human rights record had not changed (Goh 2007/8: 137).

Defense policy makers and military officers in Indonesia, however, remain concerned over China’s position and claims in the South China Sea that effectively overlap with the exclusive economic zones (EEZs) of Indonesia’s Natuna Islands. While this concern dates back to the mid-1990s, it has taken on a new life in recent years due to Beijing’s growing assertiveness and the rising number of incidents involving the claimant states. This is why Western observers were quick to pick up on a statement by an Indonesian officer in March 2014 that the military is gearing up to strengthen the defenses of the Natunas due to China’s claims as evidence of a shift in policy (Murphy 2014). This view is ultimately flawed (Laksmana 2014b; cf. Nabbs-Keller 2014). Officially, there’s no maritime “dispute” between Indonesia and China. A few days following the officer’s statement, Indonesian Foreign Minister
Marty Natalegawa clarified the matter: “We have to be absolutely clear about this. . . . Firstly, there is no territorial dispute between Indonesia and China, especially about the Natunas. In fact, we are cooperating with China in possibly bringing about foreign direct investment plans in the Natunas. Second, we are not a claimant state in the South China Sea. Third, on the nine-dash line, it is true that we do not accept that. This is why we have asked for a formal explanation from China regarding their claims’ legal basis and background” (Prabowo 2014).

This policy is of course not new. Bottom line, Indonesia is concerned that the Natunas and its EEZs could be endangered by China’s nine-dash line, but it will never officially admit a dispute with China because that would give credence to Beijing’s claims. We can debate the merits of this position, but ultimately there’s no significant policy shift on the matter. Furthermore, this policy allows Jakarta to maintain its nonclaimant status in the dispute and facilitate its leadership through ASEAN to push for an eventual Code of Conduct on the matter. After all, the concern over the Natuna Islands is only one of the strategic considerations in the broader bilateral relations with China (Acharya 2015: 80). More importantly, it also allows Indonesia to continue its strategic partnership with both the United States and China and reap the benefits of a pragmatic equidistance.

Conclusions and Implications

The preceding analysis suggests several key points. First, Indonesia’s management of its great power relations, especially with the United States and China, is best captured by the notion of pragmatic equidistance. Historically, Jakarta has seen both the United States and China at various times as strategic partners and potential threats—whether politically, militarily, or economically. Second, the persistent ambiguity in the history of the triangular relations has been exacerbated by the growing complexity of Indonesia’s domestic politics. While the primacy of domestic politics—and the highly valued strategic autonomy—has been a constant, Indonesia’s foreign policy system has been gradually overhauled by the process of democratization. This makes any straightforward case for Jakarta to fully, unreservedly, and permanently lean on either Washington or Beijing in all policy areas to be without merit.

Finally, the nature of Indonesia’s pragmatic equidistance with the United States and China should not be disentangled from the broader regional context and the role of ASEAN and its associated multilateral institutions. In other words, an understanding of why and how Indonesia engages with the United States and China should be placed within the broader context of how
Indonesia considers its regional environment and the primacy of ASEAN in its foreign policy thinking. This is not to say that such outlook is in Indonesia’s best interest given the growing leadership gap in global governance issues and the growing view that as long as Jakarta is “caged” by ASEAN it will always “punch below its weight” (Sukma 2014: 163). But in any case, the overlap and entanglement between bilateral partnerships and multilateral institutions will likely continue, if not grow and expand, for the foreseeable future.

Taken as a whole, Indonesia’s management of its great power relations is complex and driven by different domestic political considerations. This is of course not a novel insight; scholars of Indonesian foreign policy have underlined this feature over and over. What this chapter has demonstrated is how pragmatic equidistance gives a useful vantage point to better understand the complexity involved in and the manner through which Jakarta manages its great power relations. The concept can also help us better understand contemporary events like why and how Indonesia approaches the South China Sea in a particular way. As the concept was developed theoretically to explain the broader patterns of how developing states with rising profiles deal with established powers, it might be useful to consider the concept’s applicability to other countries in the region and beyond.

This chapter’s discussion of Indonesia’s pragmatic equidistance policy also has broader implications pertaining to the new administration of President Joko Widodo (more popularly known as Jokowi). During the campaign, Jokowi ran a coherent foreign policy platform of turning Indonesia into a “global maritime axis.” The axis element entails an inward-looking and outward-looking duality—domestically, it focuses on the development of maritime infrastructure, interconnectivity, and resources, while zeroing in on maritime diplomacy and naval defense internationally (see Laksmana 2014a). After he was inaugurated in October 2014, the new president set out to implement this vision by establishing a Coordinating Ministry for Maritime Affairs, revamping the maritime and fisheries ministry, and supporting the creation of a unified coast guard along with the ongoing naval modernization process. He also sought to boost interisland connectivity and upgrade port infrastructure within the Indonesian archipelago, which encompasses thousands of islands and spans almost six million square kilometers (see details in Shekhar and Liow 2014).

As a foreign policy doctrine, the maritime axis concept represents both continuity and change in Jakarta’s strategic thinking. On the one hand, as it remains focused on improving Indonesia’s strategic autonomy and is driven by pragmatic concerns, the maritime axis still falls squarely within the “free and active” foreign policy premise. Viewed further under the pragmatic equi-
distance lens, Indonesia’s maritime axis builds on the “dynamic equilibrium” concept proposed by Yudhoyono’s Foreign Minister Marty Natalegawa, where no one power dominates the region but Jakarta is in good terms with all the major powers. After all, the maritime axis is the next step in the evolution of Indonesia’s strategic thinking that began with Suharto’s downfall in 1998 and, as we discussed above, was continually refined during the democratic consolidation process. In addition, as Jokowi himself is not considered a political “insider” with an independent, strong political base, nor is he the president of his own political party, we can expect domestic political considerations, including catering to shortsighted nationalist policies, to even further shape Indonesia’s foreign policy.

On the other hand, an explicitly maritime outlook entails that some issues—such as conflict management in the South China Sea or the resolution of maritime borders—will be prioritized over others. Such a move is a departure from a generally bland internationalist outlook full with contradictions of the Yudhoyono presidency captured by his “one thousand friends zero enemies” slogan (see Alexandra and Basuki 2014). Furthermore, as the maritime axis concept is based on a sound understanding of Indonesia’s geopolitical architecture—consisting of military, political, and economic dimensions at its core (Laksmana 2011b)—we can expect Indonesia’s foreign policy to be more targeted on perhaps a smaller number of issues that may be considered less “globalist” in outlook compared to the Yudhoyono era.

Taken as a whole, while the maritime axis concept represents both continuity and change in Indonesia’s foreign policy outlook, the notion of pragmatic equidistance can still help us make sense of Jakarta’s thinking under a new presidency. Relationships with the established major powers—the United States, China, and Russia—will be maintained and developed further, while some policy areas with direct implications for Indonesia’s ability to become a global maritime axis will be prioritized over others. When and how Jokowi can accomplish all he set out to do and to what extent remain to be seen.

NOTES
1 Critics argue however that Indonesia’s economic growth has not yet given the state the resources to be a significantly more influential actor on the world stage, either diplomatically or militarily, and if Indonesia is to achieve great power status—a question that remains unclear—it will do so only in the longer term (McRae 2014: 3). This debate is why I prefer the term “rising profile” to “rising power” to describe Indonesia’s global standing.
2 The previous Yudhoyono administration had used the phrase “navigating a turbulent ocean” as the latest extension of the doctrine to represent Indonesia’s
foreign policy structured by current international challenges in a world of multipolarity where U.S. primacy is declining (Kosandi 2013: 197).

3 Indonesian foreign policy makers tend to draw a distinction between democracy “projection” and heavy-handed democracy “promotion,” which may not take into account local conditions (Murphy 2012: 95).

4 Some even argue that there is an unmistakable “light on a hill” quality about Indonesia’s self-identification on these matters, going back to previous historical periods (Quayle 2013: 319).

5 This perception is consistent with a cultural account of the foundations of Indonesia’s strategic thought rooted in Javanese political ideas predating colonialism. Indeed, despite the spread of modern education and secularism, the belief in the ability of the state to provide public goods—peace, order, and prosperity—has remained an indication of the government’s power and legitimacy (Nguitragool 2012: 738).

6 However, some anthropological accounts of Indonesian society’s foreign policy views suggest that pan-Asiatic ideas of regional integration and regionalism remain mostly vague and do not feature strongly in everyday discourse, pertaining mainly to the elite’s political and economic projects (Schlehe 2013).

7 Considering Indonesia’s colonial background, some would consider it rather ironic that from the outset of its independence, Jakarta pragmatically opted to develop a strong relationship with the United States in particular and the West in general (Clark 2011: 292). Indeed, during the New Order period, the foreign ministry designated the United States, along with Japan, Australia, and the ASEAN states, with a “D1” code, indicating the “highest priority” in terms of strategic importance to Indonesia. See Nabbs-Keller (2013: 76n20).

8 Several events were salient during the Cold War: (1) Washington’s blatant attempt to bring Indonesia into a quasi-formal alliance with the West—which brought down cabinets in Jakarta, (2) the United States’ subversive intervention in the Outer Island rebellions directed against Jakarta in 1958, and (3) Washington’s apparent neutrality but behind-the-scenes backing of the Dutch in their attempt to deny West Irian to Indonesia (Novotny 2010: 107).

9 “Global maritime axis” is a direct translation of the original concept dubbed Poros Maritim Dunia. Recently, analysts have begun to translate it as “maritime fulcrum.” According to one cabinet insider, the preference for “fulcrum” instead of “axis” was proposed by Rizal Sukma, the executive director of the Centre for Strategic and International Studies in Jakarta and a foreign policy adviser to the president. The argument is that a fulcrum implies a more significant strategic advantage and a more proactive policy.

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