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UNDERSTANDING JOKOWI'S FOREIGN
POLICY

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ISEAS YUSOF ISHAK
INSTITUTE

Trends in Southeast Asia

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FOREWORD

The economic, political, strategic and cultural dynamism in Southeast Asia has gained added relevance in recent years with the spectacular rise of giant economies in East and South Asia. This has drawn greater attention to the region and to the enhanced role it now plays in international relations and global economics.

The sustained effort made by Southeast Asian nations since 1967 towards a peaceful and gradual integration of their economies has had indubitable success, and perhaps as a consequence of this, most of these countries are undergoing deep political and social changes domestically and are constructing innovative solutions to meet new international challenges. Big Power tensions continue to be played out in the neighbourhood despite the tradition of neutrality exercised by the Association of Southeast Asian Nations (ASEAN).

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Understanding Jokowi's Foreign Policy

By Donald E. Weatherbee

EXECUTIVE SUMMARY

- The foreign policy issue in the 2014 Indonesian presidential election was the rejection by both candidates, Joko Widodo (Jokowi) and Prabowo Subianto, of President Susilo Bambang Yudhoyono's high-profile globalism. Both promised instead a foreign policy directed to the real economic and social interests of the people. This raised concerns by Indonesia's international partners that its new foreign policy would be more nationalistic and inward looking. A year and a half into Jokowi's presidency, it is possible to make a preliminary assessment of the course of Jokowi's foreign policy in relation to the goals that Jokowi the candidate set forth for Jokowi the president.
- Indonesia's foreign policy under Jokowi, like his predecessor's, is that suited to a rising middle power with a claim to regional leadership. Its operating principles have been unchanged since first enunciated in 1948: "*bebas dan aktif*" — independent and active — shaped pragmatically to existing situations.
- Jokowi revived Sukarno's *trisakti* ("three pillars of the state") as the organizing principles of his presidential campaign — an Indonesia that is sovereign, economically independent, and with a strong socio-cultural identity — and these are reflected in his foreign policy. In his "Vision and Mission" manifesto for the presidential election, Jokowi listed the action agendas necessary for achieving his four foreign policy priorities. These were (a) promotion of Indonesia as an archipelagic maritime state, (b) promotion of Indonesia's middle-power regional role, (c) a new focus on the Indo-Pacific, and (d) reforming the foreign policy process.

- Five critical areas in particular define Jokowi's foreign policies. These are (a) building the Global Maritime Axis, (b) economic diplomacy, (c) Indonesia's role in ASEAN, (d) navigating between China and the United States, and (e) Indonesia's role in the South China Sea.
- The bedrock of Indonesian foreign policy since at least 2001 remains firm. The country continues to be a responsible, cooperative international partner sharing interest in economic growth and a peaceful, secure international order with like-minded states. However, heightened tension in the South China Sea is limiting the space for Indonesia's hedging strategy.

Understanding Jokowi's Foreign Policy

By Donald E. Weatherbee¹

On 19 October 2014, Joko Widodo, known to all as Jokowi, was inaugurated as Indonesia's seventh president. He had no personal, career, class, or political ties to the outgoing administration and was viewed by the policy-making establishment as a newcomer lacking the attributes considered necessary to lead the country. Concerns were voiced about the future directions and constancy of Indonesian foreign policy. More directly, would term-limited President Susilo Bambang Yudhoyono's outward-looking internationalism be replaced by Jokowi's inward-looking nationalism? Now, approaching two years into Jokowi's term of office, it is appropriate to essay preliminary answers to these questions.

FOREIGN POLICY AND JOKOWI'S ROAD TO THE PRESIDENCY

President Jokowi was elected on 9 July 2014, defeating retired General Prabowo Subianto. The presidential candidates could not have been more different. Prabowo had followed a military career. Once commander of the army's feared Special Forces (KOPASSUS), he has a record of alleged

¹ Donald E. Weatherbee was a Visiting Professorial Fellow at the ISEAS – Yusof Ishak Institute, Singapore (February – April 2016) and is the Donald S. Russell Distinguished Professor Emeritus at the University of South Carolina, U.S.A. He would like to thank ISEAS Director Tan Chin Tiong for the invitation to join the Institute and Daljit Singh, Coordinator of the Institute's Regional Strategic and Political Studies Programme, for his support. He would also like to thank Professor Epsy C. Farrell-Weatherbee for improving the manuscript from its inception to final draft.

human rights abuses which, if elected, would have made him unwelcome in liberal democratic countries. He is a former son-in-law of President Suharto and a staunch defender of the Suharto government when it was toppled in 1999 and Indonesia's democratization began. Jokowi came to office from a Central Javanese middle-class socio-cultural stratum with no roots in Indonesia's pre-democracy political history. Before entry into politics, he was an entrepreneur in a Surakarta (Solo)-based furniture manufacturing and exporting company. His political career began with him being the mayor of Surakarta [Solo] (2005–12), whose administration emphasized infrastructure, education, social welfare, and anti-corruption. Backed by the Indonesian Democratic Party of Struggle (PDI-P [*Partai Demokrasi Indonesia-Perjuangan*]), he was elected governor of Jakarta in 2012.

The new Jakarta governor was soon touted as a possible presidential candidate in 2014. The PDI-P is the political vehicle of former president (2001–04) Megawati Sukarnoputri, daughter of Indonesia's first president, Sukarno. Defeated twice for election to president by outgoing president Yudhoyono, Megawati still had her eye on the presidential prize. Polling showed that Jokowi was overwhelmingly preferred over Megawati. In the competitive atmosphere of an open presidential seat, Megawati had little choice but to anoint him as the party's flag-bearer if the PDI-P hoped to win the election. For both Megawati and Jokowi, it was a marriage of convenience, not of passion. Megawati made it known that she considered Jokowi beholden to her.² All through the election campaign, Jokowi had to battle the charge that he was her puppet. One of the question marks in examining the Jokowi administration's foreign policy is judging how much influence Megawati and her cohort actually have in important decisions.

As Jokowi faced off on the campaign trail against Prabowo, foreign policy was relatively unimportant. Both candidates ran against Yudhoyono's high-profile global outreach that had been so well

² "Mega's Message to Jokowi: I'm the Boss", *Wall Street Journal*, 11 April 2015, accessed at <<http://blogs.wsj.com/indonesiarealtime/2015/04/11/mega-message-to-jokowi-im-the-boss>>.

received by Western partners.³ During Yudhoyono's second term in particular, riding on the wave of Indonesia's vaunted "rise", foreign policy was viewed as a tool to advance Indonesia's place in the world as an emerging middle power.⁴ In terms of outcomes, however, that is, in actually affecting how other nations behaved as Indonesia actively engaged in international issues, one conclusion is that despite the activity, actual impact was "inconsequential".⁵ Although President Yudhoyono brought lustre and honours to himself before international audiences on issues such as democratization, global warming, human rights, and other transnational concerns, they seemed to have little resonance in Indonesia itself. The economic and social promises of a rising state had not been matched by performance that directly affected the Indonesian voter.⁶ The question posed by both presidential contenders was, what had Yudhoyono's globetrotting brought of real benefit to the people? Both Jokowi and Prabowo promised that they would use Indonesia's middle power differently to promote real local interest as opposed to the

³ The two candidates' foreign policy platforms are set out in their electoral manifestos. For Jokowi, see pages 12–14 of *Jalan Perubahan untuk Indonesia Yang Berdaulat: Visi, Misi, dan Program Aksi* [The Road to Change for a Sovereign Indonesia: Vision, Mission, and Action Programme], accessed at <http://www.kpu.go.id/koleksigambar/Visi_Misi_Jokowi-JK.pdf>, hereafter cited as *Visi-Misi*. For Prabowo, see *Manifesto Perjuangan Partai Gerakan Indonesia Raya* [Struggle Manifesto of the Great Indonesia Movement Party] <http://www.partai_gerakan.org.id/upload/Manifesto-Perjuangan-Partai-Gerakan-Indonesia-Raya.pdf>.

⁴ For discussions of Indonesia's "rise", see Anthony Reid, ed., *Indonesia Rising: The Repositioning of Asia's Third Giant* (Singapore: Institute of Southeast Asian Studies, 2012); and Christopher Roberts, Ahmad D. Habib, and Leonard C. Sebastian, *Indonesia's Ascent: Power, Leadership and the Regional Order* (Basingstoke, Hampshire, UK: PalgraveMacmillan, 2012).

⁵ Evi Fitriani, "Yudhoyono's foreign policy: is Indonesia a rising power?", in *The Yudhoyono Presidency: Indonesia's Decade of Stability and Stagnation*, edited by Edward Aspinall, Marcus Mietzner, and Dirk Tomsa, (Singapore: Institute of Southeast Asian Studies, 2015), pp. 87–88.

⁶ Donald K. Emmerson, "Is Indonesia Rising: It Depends", in Reid, ed., *Indonesia Rising*, p. 72.

intangibles of internationalism. Jokowi summed it up in his “Vision and Mission” (*Visi-Misi*) manifesto, stating that diplomacy would be used selectively for the welfare of the people.

Foreign commentary characterized the criticisms of Yudhoyono’s foreign policy as a retreat to nationalism and worried that the election was turning a page back to a darker past. Prabowo’s nationalism seemed more dangerous. Given his praetorian past, his insistence that Indonesia needed a “strong” leader, with its implication that Yudhoyono was and would be a weak leader, seemed to threaten democracy. On the other hand, Jokowi, a local politician, appeared uninformed on foreign affairs. Indonesia’s international partners seemed faced with the prospect that whichever candidate won, the result could lead to narrow nationalist-tinged discontinuity and unpredictability in foreign policy. ASEAN member states were concerned that Indonesia’s nationalism might triumph over regionalism. No matter who won the election, the concepts and slogans of Yudhoyono’s foreign policy — “a thousand friends and zero enemies,” an “omnidirectional foreign policy”, and “dynamic equilibrium” — would no longer be in the foreign policy lexicon. What was overlooked or undervalued in these concerns though, is that Indonesian foreign policy is deeply embedded in forces making for continuity. Historically, the only significant discontinuity in Indonesian foreign policy occurred in 1966 when President Sukarno, in the wreckage of his failed Guided Democracy, was forced to hand over the government to President Suharto, who quickly set out to repair the political and economic ties with the developed West which had been severed by Sukarno.

From Suharto to Jokowi, the principles first enunciated in 1948 by Indonesia’s Vice-President and Prime Minister Mohammad Hatta have guided Indonesian foreign policy. These were contained in a policy speech titled “Rowing between Two Reefs” made to the new republic’s provisional parliament.⁷ Hatta called for a foreign policy that would be

⁷ Mohammad Hatta, *Mendajung diantara dua Karang: keterangan pemerintah diupatjarakan dimuka sidang B.P.K.N.I.P. Djokdja pada tahun 1948* (Jakarta: Kementerian Penerabangan Republik Indonesia, 1951).

“*bebas dan aktif*” — independent and active. Ever since, that phrase has been the leitmotif of Indonesian foreign policy. It stipulates at the most general level of meaning that Indonesia should be proactive and participate fully in shaping the political, strategic, and economic international environments in which its interests are in play. As a strategy it mandates that, depending upon international conditions and Indonesia’s capabilities, foreign policy should be executed in a pragmatic, flexible, accommodative, or assertive way.⁸

From Suharto to Jokowi, there has been a premise that Indonesia is the natural leader in Southeast Asia and ASEAN. This of course begs the question whether other nations are willing to follow Indonesia’s lead. Yudhoyono’s portrayals of Indonesia’s international role emphasized its leadership. An implicit question, as Prabowo and Jokowi seemed to turn their backs on global politics, was what kind of regional leadership, if any, the candidates would bring to the presidential palace. In a worst-case analysis, it was feared that a Prabowo victory would lead to an assertiveness that would open old wounds and be regionally destabilizing.

Less threatening, but still disturbing given Jokowi’s emphasis on domestic affairs, was that Indonesia might be less willing to fully engage on ASEAN’s multilateral platforms or even disengage from regionalist projects, thus diminishing the claimed centrality of ASEAN’s regional role. Jokowi’s “mayoral” approach to office left the impression that foreign policy would be a secondary concern. Evincing low expectations, one analyst wrote: “Under Jokowi, then, we are likely to see a less clear, less conciliatory and less cooperative foreign policy, offering less leadership in Southeast Asia and the world.”⁹ The “less” in the sentence meant “less than Yudhoyono.”

These doubts seemed to be realized in Jokowi’s first forays into the high politics of foreign policy. Within days of his inauguration, the

⁸ Adriana Elisabeth (Coordinator), *Grand Design: Kebijakan Luar Negeri Indonesia (2015–2025)* (Jakarta: Lembaga Ilmu Pengetahuan Indonesia, 2015).

⁹ Aaron L. Connelly, “Sovereignty of the Sea: President Joko Widodo’s Foreign Policy Challenges”, *Contemporary Southeast Asia* 37, no. 1 (2016): 21.

new president was plunged into a flurry of international conferencing. On 10–13 November 2014, he attended an APEC meeting in Beijing; followed by the ASEAN Summit and the East Asia Summit (EAS) in Nay Pyi Taw; and then the G20 meeting in Brisbane, 15–16 November. Jokowi’s initial hesitancy about summitry seems shown by an exchange he had with Australian journalists who asked him if he intended to go to Brisbane. Pointing to foreign policy advisor Rizal Sukma seated beside him, the president said, “If he says ‘yes, you go’, I will go.” To which Sukma laughingly responded, “We have to convince Pak Jokowi that G20 is important, that the agenda is important.”¹⁰ A veteran observer of Indonesian affairs noted that in his first six months Jokowi “looked reactive, unsure of himself and uncomfortable”.¹¹

JOKOWI’S FOREIGN POLICY FRAMEWORK

The low marks given Jokowi’s promise as a statesman neglected the fact that foreign policy making and implementation are not a one-person enterprise. Coming into office, Jokowi had a foreign policy team that drew on a pool of Indonesian academics and professionals who did have policy skills and expertise that Jokowi personally might lack. The two most prominent were retired general Luhut B. Pandjaitan and Rizal Sukma. Both have been instrumental in shaping Jokowi’s foreign policy campaign promises agenda and their presidential implementation.

After retirement from the army in 1999, Luhut, a Christian Toba Batak, served as President Habibie’s ambassador to Singapore and then as Minister of Trade and Industry in President Abdurrahman Wahid’s

¹⁰ John Garnaut, “G20 appetiser: Abbot must charm Indonesia’s new leader Joko”, *Sydney Morning Herald*, 19 October 2014 <<http://www.smh.com.au/federal-politics/political-opinion/g20-appetiser-abbot-must-charm-indonesias-new-leader-joko-20141019-1189kb.html>>.

¹¹ Adam Schwartz, “After 2015, low-profile Jokowi needs better messaging”, *Jakarta Post*, 4 January 2016.

cabinet.¹² He was asked by President Megawati to continue in that post but declined. In private life, he founded an energy and natural resources conglomerate, PT Toba Sejahtra Group.¹³ It was a business investment made in Jokowi's furniture enterprise that originally connected the two. Since then, he has been at Jokowi's side as his most influential advisor. Once in office, Jokowi appointed him to the newly created post of Chief of Staff of the Presidential Working Unit, the president's doorkeeper. In the August 2015 cabinet reshuffle he was named Coordinating Minister for Political, Legal, and Security Affairs, having oversight over the Ministry of Foreign Affairs and the Ministry of Defence. As Jokowi's go-to man, his areas of policy interest extend beyond bureaucratic boundaries.

Rizal Sukma was the Executive Director of Jakarta's Centre for Strategic and International Studies (CSIS). He has long been a familiar and highly respected figure among Southeast Asia watchers. With a London School of Economics and Political Science PhD, Sukma's grasp of Indonesian foreign policy is on solid intellectual ground. He is a tough-minded realist who complements the action-oriented Luhut.¹⁴ The "realist" content of Sukma's long publication record raised some alarms about Jokowi's commitment to ASEAN. Sukma argues that the purpose of foreign policy is to secure national interest, and where ASEAN fails to do this, other avenues should be pursued. This was the message of perhaps his most often quoted opinion piece, "Indonesia needs a post-ASEAN foreign policy."¹⁵ In it, he wrote that Indonesia should not

¹² Pandjaitan (old orthography) and Panjaitan are used interchangeably in the reporting on Luhut. He uses Pandjaitan.

¹³ Whether or not the fact that an offshore business venture of PT Toba Sejahtra was revealed in the Panama Papers will affect Luhut's political standing remains to be seen ("Jokowi summons Luhut over Panama papers", *Jakarta Post*, 25 April 2016).

¹⁴ In February 2016, Sukma took up the post of Indonesian ambassador to the United Kingdom and Ireland. It is speculated in Jakarta circles that this is part of a grooming and credentialing process for a possible future appointment as foreign minister (author's discussions in Jakarta, March 2016).

¹⁵ *Jakarta Post*, 30 June 2009 <<http://www.thejakartapost.com/2009/06/30/indonesia-needs-a-post-asean-foreign-policy.htm>>.

“imprison itself in the ‘golden cage’” of ASEAN by putting ASEAN solidarity ahead of Indonesian national interest. This has been wrongly construed as an abandonment of ASEAN. Rejecting the Yudhoyono concept of ASEAN as the cornerstone of Indonesian foreign policy, Sukma argued that ASEAN “should constitute only one of the available platforms through which we can attain and fulfil our national interests,” a position which essentially is that adopted by the Jokowi administration. The combination of Sukma’s influence and Jokowi’s reaching out to bilateral partners outside the region from whom direct economic benefits for Indonesia might be forthcoming prompted headlines like, “Is Indonesia Turning Away from ASEAN under Jokowi?”¹⁶ and “Is Jokowi Turning His Back on ASEAN?”¹⁷

An unexpected appointment to the Jokowi foreign policy team was Foreign Minister Retno L.P. Marsudi. A career diplomat, she is the first woman to head the Ministry of Foreign Affairs (Kemlu, or Kementerian Luar Negeri). When tapped for the post, she was serving as ambassador to the Netherlands. She was among a small pool of possible candidates and, with Megawati’s backing and the president’s indifference, Retno got the nod. She did not bring to the office the standing or diplomatic grooming of her two immediate Kemlu predecessors. Her career path had been Europe-centred with no Asia-Pacific responsibilities or senior posting to multilateral intergovernmental institutions like the UN or EU. She is bureaucratically competent and diligent and in leading Kemlu she reflects the president’s priorities with a down-to-earth, “pro-people” approach that functionally links diplomacy to national development.¹⁸ She is not,

¹⁶ Prashanth Parameswaran, “Is Indonesia Turning Away From ASEAN Under Jokowi?”, *The Diplomat*, 18 December 2014 <<http://thediplomat.com/2014/12/is-indonesia-turning-away-from-asean-under-jokowi/>>.

¹⁷ Avery Poole, “Is Jokowi Turning His Back on ASEAN?”, *The Diplomat*, 7 September 2015 <<http://thediplomat.com/2015/09/is-jokowi-turning-his-back-on-asean/>>.

¹⁸ Ismira Lutfia Tisnadibrata, “Indonesia’s new foreign minister: What does she bring to the table?” <<http://www.rappler.com/regions/asia-pacific/indonesia/73758-foreign-minister-retno-marsudi-diplomacy/>>.

however, the “ideas” person in Indonesian foreign policy making. Kemlu does not have the influence it had in the previous administrations. There are a number of reasons for this. Jokowi’s major foreign policy advisors do not have Kemlu roots. Jokowi does not have global political goals to pursue, and his linkage of foreign policy to domestic economic growth gives new policy roles to functional ministries. In short, Kemlu’s task is mainly representational and technical, not policy making.¹⁹

There has been speculation about what influence Megawati might have in Jokowi’s foreign policy making. She is not close to either Luhut or Sukma, neither of whom have PDI-P links or other client relations. The one area where she may have influence is on China policy. Her sympathies for the PRC are well known. During her presidency, her filial connection to Sukarno continued to be played upon in the China-Indonesia bilateral relationship. In October 2015, she officially opened the Sukarno House in Shenzhen as a centre for Indonesia-China cooperation. She had a meeting with President Xi Jinping during which the two discussed closer relations between their respective countries.²⁰ On her return from China, she met with Jokowi just a few hours prior to his departure for his October 2015 visit to the United States. According to the president, among the topics covered in the two-hour “intense” meeting was the bilateral China-Indonesia relationship.²¹

The issue that has emerged in Jokowi’s foreign policy has not been the president’s intellectual unpreparedness, but the lack of clear lines of authority and direction. With a president who appears to be disinterested, disengaged, or otherwise preoccupied, there can be a sense of “who’s in charge?”. The dispersal of responsibility can lead to confusion and ministerial freelancing. There is no unit in the presidential palace to guarantee a coordinated single authoritative position on critical security and foreign policy issues. This too may reflect the president’s disinterest.

¹⁹ One of the quips about foreign policy to be heard in Jakarta is that “The thinker is in London, the implementer at Kemlu.”

²⁰ “Megawati meets Chinese leader in Beijing”, *Jakarta Post*, 17 October 2015.

²¹ “Jokowi Has ‘Intense’ 2-Hour Talk With Megawati Ahead of US Trip”, *Jakarta Globe*, 25 October 2015.

JOKOWI'S FOREIGN POLICY PLATFORM: *VISI-MISI*

President Joko Widodo was being educated by foreign policy advisors throughout the campaign and into his presidency. Their ideas are clearly reflected in his campaign literature and public statements. The intellectual context of his approach appeared in an influential newspaper opinion piece titled “Revolusi Mental” (“Mental Revolution”) under his name and attributed to his campaign.²² In it he posed the paradox that, after sixteen years of reforms and real economic and democratic progress, there was widening public disenchantment with the nation’s course. He singled out the younger generation, describing its members as being *galau*, a word connoting a sense of sadness, desperation, and hopelessness. In a criticism of over-reliance on Western intellectual and material inputs, Jokowi called for a return to guiding principles from the past, particularly the basis for the state as laid down by President Sukarno in his 1963 exposition of the *trisakti* or “three pillars of the state” (literally: “three divine powers”): an Indonesia which is politically sovereign, economically independent, and possessing a strong social-cultural identity.

The invocation of Sukarno’s *trisakti* was a kind of end run around Prabowo, since it placed Jokowi firmly in the footprints of a founder of the state. The approving reference to Sukarno was also a nod to Jokowi’s political patroness Megawati. The *trisakti* became the organizational framework of candidate Jokowi’s *Visi-Misi* in a way that sought to integrate into a conceptual whole what otherwise might be viewed as a series of unrelated activities. Foreign policy led the *Visi-Misi*’s “political sovereignty” section with the promise of a firm foreign policy and a repositioning of Indonesia on global issues. Four priority areas were identified together with the action plans to achieve their goals. The *Visi-*

²² Joko Widodo, “Revolusi Mental”, *Kompas*, 10 May 2014 <<http://www.nasional.kompas.com/read/2014/05/10/1603015/Revolusi.Mental>>.

Misi outline provides a surprisingly accurate guide to the actual policy directions of the Jokowi government.²³

The first priority was to promote Indonesia's identity as both an archipelagic state and a maritime nation. The difference between the two is that one is a legal status, the other a geostrategic and political formulation. Although not mentioned as such in the *Visi-Misi*, this priority became the backbone of the Global Maritime Axis doctrine so highly featured by Jokowi. The action plan for this priority prescribed five activities:

1. Speed up diplomacy and actions designed to settle Indonesia's border issues, including land borders, with ten neighbouring countries.
2. Assure the integrity of the unity and maritime sovereignty of the republic.
3. Protect natural resources and the EEZ.
4. Intensify defence diplomacy.
5. Reduce great-power maritime rivalry and press for settlement of territorial disputes.

None of the issues involved in realizing this agenda are new. Some go back to the birth of the republic. We can identify foreign policy initiatives of previous governments in all of these categories. For Indonesia today to pursue vigorously this agenda in a truly *bebas dan aktif* manner would involve it in some of the thorniest regional foreign policy issues and would require a different political posture in ASEAN.

The second priority was to enhance Indonesia's global role as a middle power through positioning itself diplomatically as a regional power with selective engagement in international issues directly relevant to the interests of Indonesia and its people. This is a rebuke to Yudhoyono's world-statesman ambitions. This priority had eight action items on the agenda:

²³ The discussion below is based on the author's translations from the *Visi-Misi* statement as published by the Indonesian General Election Commission; see note 3, *supra*.

1. Raise the capacity to protect the rights and welfare of Indonesians abroad, with special attention to the protection of Indonesian migrant labour.
2. Actively encourage and promote global and regional multilateral cooperation including strengthening the United Nations and the Organization of Islamic Cooperation (OIC), and press for the reform of the Bretton Woods financial institutions, the World Bank and IMF in particular.
3. Strengthen Indonesia's role as a moderate Muslim majority democracy in promoting regional and global intergroup democracy and tolerance.
4. Strive for equitable and relevant cooperation in the G20.
5. Intensify international cooperation to solve global problems that threaten humanity, like pandemic diseases, climate change, the spread of illegal weapons, human trafficking, drought, renewable energy, and the spread of narcotics.
6. Enhance South-South and Triangular cooperation.
7. Take an active role in conflict resolution, peacekeeping, and peacebuilding.
8. Support the appointment of qualified Indonesians to posts in international organizations, especially the UN, the OIC, and the ASEAN secretariat.

The third priority called for expansion of Indonesia's regional strategic view, with a focus on the Indo-Pacific. The attention to the Indo-Pacific is also an important component of the Global Maritime Axis concept. Indonesian foreign policy in this priority area had five items in its action agenda:

1. Consolidate Indonesia's leadership in ASEAN so as to strengthen cooperation and guarantee ASEAN's centrality.
2. Strengthen regional architecture (especially the East Asia Summit) to be able to prevent great-power hegemony.
3. Strengthen and increase bilateral strategic partnerships.
4. Manage the impacts of regional integration and free trade on Indonesia's economy.

5. Encourage regional comprehensive maritime cooperation through the Indian Ocean Rim Association (IORA).

The fourth priority goes to the foreign policy process itself. It promised that the people themselves would have a greater role in seeing that their interests and aspirations were taken into account in the formulation and conduct of policy. This would require a strengthening and restructuring of Indonesia's diplomatic infrastructure. The action agenda for this had four items:

1. Reorganize and strengthen Kemlu, focusing on budget increase, instruments of economic diplomacy and, especially, developing expertise in asset recovery and law-of-the-sea and strategic research.
2. Expand public participation in the policy and diplomatic process, especially via public diplomacy.
3. Enhance coordination between Kemlu and parliament on foreign policy matters.
4. Strengthen Kemlu's system of education and training.

Looking at the "action programmes" that have been enumerated, one quickly realizes that most of the substantive policy items reflect undertakings already underway before Jokowi came into office. In large part, the momentum of the past is carrying the Jokowi administration into the present. What is different is the way in which the policy elements have been systematically reorganized to give Jokowi's foreign policy a new logic and legitimacy. A few examples will demonstrate this.

Jokowi and, especially, Foreign Minister Retno, have pointed out achievements in the protection of Indonesians abroad, particularly overseas labour (TKI, or Tenaga Kerja Indonesia) as evidence of the success of "diplomacy for the people". When Retno outlined her department's achievements in 2015, she proudly counted 109,102 persons repatriated, of whom 94,529 were TKIs. This is more than double the 2013 repatriation figure of 40,236 given by her predecessor, Marty. The jump in numbers, however, cannot be attributed to new directions or emphases. It is tied directly to the repatriation of TKIs from mounting wars and violence in the Middle East. Unmentioned in

Retno's account was the execution by decapitation of two Indonesian maids in Saudi Arabia. The Yudhoyono administration engaged in bitter exchanges with Malaysia and Singapore over the treatment of TKIs. It banned or threatened to ban maids to Malaysia and the Middle East until agreements were reached on their protection and rights. Indonesia was a prime mover in the drafting and adoption of the ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers. It can also be noted that Indonesia remains on Tier 2, the Watch List, of the United States "Trafficking in Persons Report".²⁴

Another area on the Jokowi to-do list was the Muslim world and especially involvement in the OIC. It was Yudhoyono's government that pressed the OIC to add an Independent Permanent Human Rights Commission to the organization, which was headed first by an Indonesian. Indonesia has always strongly supported Palestine both bilaterally and through the OIC. This policy has been embraced by Jokowi, who gave Indonesia's pro-Palestine stance greater international significance by hosting in March 2016 the 5th Extraordinary OIC Summit on Palestine and Al-Quds Al-Sharif [Jerusalem] after Morocco backed out. Palestine was given further symbolic Indonesian support by the credentialing of an Indonesian Honorary Consul in Ramallah. To add lustre, Foreign Minister Retno personally inaugurated the consul, but this took place in Amman, Jordan, because Israel would not permit her to travel to Ramallah.

In January 2016, at the behest of the president, Foreign Minister Retno conducted a week-long diplomatic mission, intervening in the Saudi Arabia-Iran crisis. Indonesia, as the world's most populous Muslim country, has previously sought peace-making roles in foreign crises involving Muslims. The Yudhoyono government, with OIC blessing, offered good offices and mediation in Muslim-related regional conflict issues in the Philippines. Yudhoyono's Indonesia also became involved in peace-making efforts in the Muslim insurgency in South Thailand as well as the humanitarian disaster faced by Myanmar's Muslim Rohingya minority. The Muslim factor in these cases overlapped with Indonesia's

²⁴ The report can be accessed at <<http://www.state.gov/j/tip/rls/tiprpt>>.

concerns about peace and stability in the ASEAN realm. The Jokowi government took this practice into an area where Indonesia had no close historical political relations or direct strategic interests. Indonesia did have concerns for the fate of thousands of Indonesians living and working in the region.

Carrying a personal message of peace from Jokowi, Retno met with the Saudi king and the Iranian prime minister.²⁵ She also visited the United Arab Emirates and Doha, members of the Gulf Cooperation Council (GCC), to express Indonesia's views and call on the GCC to contribute to the reduction of tensions between Riyadh and Tehran. She then went on to Jeddah for a ministerial meeting on the worsening relations between Iran and Saudi Arabia.²⁶ Whether or not Indonesia's intervention affected the course of events is not known. In the absence of any history of engagement or real political levers, it is to be doubted. It played well at home, with representatives of the main Muslim mass organizations being included in Retno's entourage. In addition, it was a long-awaited demonstration of a Jokowi foreign policy initiative that moved him out of Yudhoyono's international shadow. To strengthen ties with the Middle East, Jokowi followed up by naming Alwi Shihab a special envoy for the Middle East and OIC.²⁷ Shihab, a distinguished Islamic scholar, had been foreign minister in Wahid's short-lived presidency and served as Coordinating Minister for People's Welfare under Yudhoyono.

Jokowi's desire to reform multilateral international institutions to reflect the modern world order rather than the immediate post-World War II economic environment in which they were born picks up an

²⁵ "Pesan damai Presiden RI kepada Iran dan Arab Saudi", 19 January 2016 <<http://www.Kemlu.go.id/id/berita/Pages/pesan-damia-indonesia-arab-saudi.aspx>>.

²⁶ "RI urges OIC to work towards peace in Middle East", ANTARA.com, 21 January 2016 <<http://www.antaranews.com/en/news/102680/ri-urges-oic-to-work-towards-peace-in-middle-east>>.

²⁷ "President Jokowi's special envoy visiting Middle East", ANTARA.com, 20 February 2016 <<http://www.antaranews.com/en/news/103240/president-jokowis-special-envoy-visiting-middle-east>>.

Indonesian foreign policy theme originating with Sukarno — but without his revolutionary zeal. Before Jokowi, Yudhoyono was an eloquent spokesman at the UN and other multilateral forums for reforms that would give equitable political and economic space to Third World states. After Indonesia was elevated to G20 membership, Yudhoyono positioned it as ASEAN's representative and the voice of the developing world.²⁸ Jokowi shares with Yudhoyono the intellectual rejection of Western domination of the international economic order. This was loud and clear in his speech at the 60th anniversary of the Bandung Asian-African Conference, where in his keynote address he gave voice to the frustration, inequities, and injustices in a world in which North America and Europe set the rules. It was Sukarno redux.²⁹ The rhetorical posture, at least, is more in line with Chinese thinking about global economics than the American one. The World Bank and IMF are particular targets because of their conditionality that reflects a non-traditional agenda including human rights, environment, and labour rules, as well as their capitalist modes. Seeking alternatives, Jokowi's Indonesia signed up as a founding member of the Asian Infrastructure Investment Bank (AIIB) in which China holds the major stake (discussed below).

CRITICAL ISSUE AREAS OF JOKOWI'S FOREIGN POLICY

The argument to this point has viewed the substance — as opposed to style — of President Joko Widodo's foreign policy largely in terms of continuity in the policy directions of his predecessor. This can be explained by reference to the national interest foundations of foreign

²⁸ Winfried Weck, "ASEAN and the G20 — Indonesia's foreign policy perspectives", *Kas International Reports*, February 2011 <<http://www.kas.de/wf/doc/-544-2-30.pdf>>; "Indonesia: the voice of developing states?"; *G20 Watch*, 16 October 2014 <<http://www.g20watch.edu.au/indonesia-voice-developing-states>>.

²⁹ "Jokowi's speech one major leap for Indonesia", ANTARA.com, 23 April 2015 <<http://www.antaranews.com/en/news/98660/jokowis-speech-one-major-leap-for-indonesia>>.

policy; the logic of the foreign policy goals; the non-ideological approach of Jokowi's principle advisors; Jokowi's own disinterest in foreign policy; the programmatic biases within the foreign policy bureaucratic machinery, especially Kemlu; and the absence of elite voices — inside and outside of government — seeking to force change. This policy-making environment is further characterized by an essentially inattentive public that only seems to be stirred when policy is linked to religion.³⁰

The dynamics of regional political and strategic change do not lead — pace Yudhoyono — to equilibrium. Furthermore, the anchor of ASEAN centrality is no longer holding. The forces that are shaping the future architectures of the Asia-Pacific region have the potential to give Indonesia either new opportunities or set new limits for its capability to be *bebas dan aktif*. To deal with the uncertainties in its prospective futures, Indonesia will need to reappraise the suitability of its current policy directions. Five critical issue areas in particular will challenge the government's capabilities to achieve its foreign policy objectives in its operational framework of *bebas dan aktif*: (1) realizing the Global Maritime Axis; (2) pursuing economic diplomacy; (3) redefining its role in ASEAN; (4) navigating between the China and U.S. reefs; and (5) reassessing its role in the South China Sea issues.

The Global Maritime Axis (GMA)

The signature topic in discussions of Jokowi's foreign policy is the concept (now doctrine) of Indonesia as a *poros maritim dunia*, a Global Maritime Axis (GMA).³¹ This has been called “the central foreign policy pillar” of his administration.³² It is not really a policy, however. It states a

³⁰ An example of this was the public outrage over the plight of Myanmar's oppressed and abused Rohingya Muslim minority. The Yudhoyono government was forced to break ranks with a non-responsive ASEAN consensus and bilaterally pressed the Myanmar junta for change.

³¹ The term Global Maritime Axis has been used interchangeably with Global Maritime Fulcrum, both translations of “*poros maritim dunia*”.

³² Brad Nelson and Yohanes Sulaiman, “The implications of Jokowi's global maritime axis”, *Strategic Review*, April–June 2015 <<http://www.sratfor.com/the-hub/implications-jokowis-global-maritime-axis>>.

goal of establishing Indonesia as a strong, secure maritime-based middle power between the Pacific and Indian oceans. The GMA is a rubric under which a number of discrete strategies and policies can be linked in a symbolic unity. The GMA emerged as the foreign policy theme of Jokowi's presidential campaign, surfacing in a 22 June 2014, presidential televised debate between the two candidates.³³ It was designed as a tactic by Jokowi's team to contrast their candidate's strategic views with Prabowo's more stridently nationalistic and somewhat anti-Western views.³⁴ As it has evolved, the GMA has shaped — at least rhetorically — the government's geostrategic outlook and colours its foreign policy perspectives. At her first press conference as foreign minister, Retno said that Kemlu would focus on the realization of the maritime axis “through the enforcement of [Indonesia's] sovereignty, security, and prosperity.”³⁵

A maritime emphasis was at the heart of Jokowi's presidential inaugural address. He said: “We have far too long turned our backs on the seas, the oceans, the straits and the bays. It is time to restore everything so that *jalesveva jayamahe* (in the sea we will triumph), a slogan used by our forefathers, will echo again.”³⁶ As he explained it to his fellow regional leaders at the 13 November 2014, Nay Pyi Taw 9th EAS, an Indonesia that was a strong maritime power would help keep the Indo-Pacific region peaceful and safe. He contrasted this with other — unnamed — platforms for seizure of natural resources, territorial disputes, and maritime supremacy.³⁷ He outlined the doctrine's five pillars:

³³ “Ini akan konsepsi poros maritim dunia Jokowi” <<http://www.sekgenjokowi.org/berita/ini-akan-konsepsi-poros-maritim-dunia-jokowi>>.

³⁴ Personal communication to the author by someone involved.

³⁵ “FM to realize Jokowi's maritime axis vision”, *Jakarta Post*, 30 October 2014.

³⁶ “Full text: Jokowi's inauguration speech”, 19 October 2014 <<http://www.rappler.com/world/regions/asia-pacific/indonesia/72529-text-jokowi-inauguration-speech>>.

³⁷ Full text of Jokowi's speech to the 9th EAS [in Bahasa Indonesia] is in “Doktrin Jokowi: Indonesia poros maritim dunia”, *Rappler.com*, 13 November 2014 <<http://www.rappler.com/world/regions/asia-pacific/indonesia/74928-pidato-jokowi-indonesia-poros-maritim-dunia>>.

1. Rebuild Indonesia's maritime culture that recognizes the country's link to the sea.
2. Guard and manage ocean resources with the focus on food security.
3. Prioritize the development of maritime infrastructure and connectivity.
4. Invite all of Indonesia's maritime partners to work together to eliminate sources of conflict.
5. Build a maritime defence force, not just to guard Indonesia's sovereignty and wealth, but also to protect maritime security and navigation.

Rizal Sukma insisted that Jokowi's vision was not just an abstract conceptualization, and that it could be operationalized through the implementation of a number of specific agenda items.³⁸ It is in these agenda items that the actual foreign policy links to the GMA are found. The responsibilities for implementing the policy elements of the GMA are scattered through the bureaucracy, uncoordinated and overlapping. In many cases, they build on policy processes that began in previous administrations. Among the policy areas connected to the GMA's implementation, four in particular have foreign policy implications: archipelagic rights, jurisdiction and borders; defence of sovereignty and resources in the maritime zones; maritime infrastructure development; and Indonesia's role in the Indian Ocean.

Archipelagic Rights, Jurisdiction, and Borders. In approaching Indonesia's maritime domain, the starting point for Jokowi is the same as it was for his predecessors: the geostrategic reality of Indonesia as an archipelagic state with all of the vulnerabilities of splintered land and sea space. This was recognized in the early years of the republic in the 1957 Djuanda Declaration which asserted through domestic law the archipelagic principle which became international law in the

³⁸ Rizal Sukma, "Gagasan Poros Maritim", *Kompas*, 21 August 2014 <<http://bisniskeuangan.kompas.com/read/2014/08/21/080000726/Gagasan.Poros.Maritim>>.

1982 United Nations Convention on the Law of the Sea (UNCLOS).³⁹ Indonesia's territorial boundary is set by straight baselines drawn from the outermost points of its outermost islands. It is from these baselines that its 12-nautical-mile territorial sea and 200-nautical-mile Exclusive Economic Zone extend. Inside those baselines, the waters around and between the islands are archipelagic waters, which differ from internal waters in that archipelagic transit and innocent passage are allowed. The legal definition of Indonesia's sovereign rights and jurisdiction has been given political form in the concept of the *wawasan nusantara*; that is, the integral sovereign unity of Indonesia's land and sea space.

The first action item under the first priority of the foreign policy *Visi-Misi* manifesto called for the speedy settlement of border disputes. The resolution of disputes over baseline projections and overlapping EEZs and continental shelves is essential to the enforcement of maritime jurisdictions. Negotiations over the politics and technicalities of delimitation can be long and diplomatically arduous. It took twenty years for Indonesia and the Philippines to finally settle in 2013 their EEZ borders in the Mindanao and Sulu seas.⁴⁰ Indonesia is currently negotiating maritime delimitations with six of the ten countries with which it has maritime borders. In the case of Malaysia and Indonesia, President Jokowi and Prime Minister Najib Razak have named special envoys to fast-track the process.⁴¹ Indonesia is awaiting the decision by the Permanent Court of Arbitration (PCA) in The Hague on the Philippines' case against China. It is thought that a ruling in favour of

³⁹ John G. Burcher, "Becoming an Archipelagic State: The Juanda Declaration in 1957 and the 'Struggle' to Gain International Recognition of the Archipelagic Principle", in *Indonesia beyond the Water's Edge*, edited by Robert Cribb and Michael Ford (Singapore: Institute of Southeast Asian Studies, 2009), pp. 28–48.

⁴⁰ "Philippines, Indonesia sign 'model' maritime border accord", *Jakarta Post*, 23 May 2014.

⁴¹ Ankit Panda, "Here's How Malaysia and Indonesia Plan to Resolve Their Territorial Disputes" <<http://thediplomat.com/2015/02/heres-how-malaysia-and-indonesia-plan-to-resolve-their-territorial-disputes/>>.

Manila will strengthen Indonesia's legal position in outstanding disputes with Malaysia, Singapore, and Palau.⁴²

Legal questions on boundary issues are often addressed in a political context complicated by competition for sea, seabed, and subsoil resources. Negotiations can become even more difficult when nationalist passions get attached to prospective outcomes. This seems to be the case with the Indonesia-Malaysia dispute over the Ambalat Block in the Sulawesi Sea.⁴³ The dispute dates back to a Malaysian map published in 1979 and involves a maritime zone of nearly 16,000 sq km (6,000 sq mi) which is thought to be rich in oil and natural gas deposits. Energy companies' exploitation of the resources has been stymied by forceful conflicting claims of sovereignty.⁴⁴ After more than a decade of negotiations, Indonesia still bristles at what it sees as Malaysian naval provocations in the disputed waters.⁴⁵ Still remembered is the nationalist backlash when, in 2002, the International Court of Justice (ICJ) awarded the islands of Sipidan and Ligitan in the Sulawesi Sea to Malaysia. Even though it was President Suharto and Prime Minister Mahathir Mohamad who in 1996 agreed to submit the dispute over sovereignty of the islands to the ICJ, it was President Megawati who faced the nationalist reaction.

It remains to be seen if President Jokowi's hope that maritime border issues can be speedily resolved is achievable. It may depend on how much Indonesia is willing to concede. One of the goals of President Jokowi's state visit to Timor-Leste in January 2016 was to speed up the border

⁴² Author's interview in Jakarta with the Deputy Minister of Maritime Affairs and Fisheries, 21 March 2016.

⁴³ Stephen C. Druce and Efri Yoni Baikoeni, "Circumventing Conflict: The Indonesia – Malaysia Ambalat Block Dispute", in *Contemporary Conflicts in Southeast Asia*, edited by Mikio Oishi (Singapore: Springer Singapore, 2016), pp. 137–56.

⁴⁴ "Minister Marty, 'Ambalat should never be forgotten'", *Jakarta Post*, 12 November 2012.

⁴⁵ "Indonesia Akan Mengajukan Protes Resmi Terhadap Malaysia Terkait Isu Ambalat [Indonesia will file an official protest against Malaysia with respect to the Ambalat issue]", *Berita Benar*, 6 June 2015 <<http://www.beritabenarnews.com/indonesia/ambalat-konflik-indonesia-malaysia-0619201592758.html>>.

settlement process that has been going on since 2002.⁴⁶ Of the Ambalat Block, one commentator expressed the opinion in 2014 that settlement was “a complex process that might take as long as thirty years.”⁴⁷

The Kemlu list of maritime demarcation issues does not include Indonesia’s most economically and politically significant disputed EEZ zone. This is the waters north of Indonesia’s Natuna Islands group where the Indonesian EEZ meets the South China Sea. In these fishery-rich waters with proven natural gas reserves, China’s unilaterally imposed nine-dash line sweeps through Indonesia’s UNCLOS-compliant EEZ.⁴⁸ For China the nine-dash line marks the outer limits of its sovereign claims in the South China Sea.⁴⁹ For Indonesia there is no border or overlap with China. This was made clear in Jakarta’s submission to the UN in 2010 that stated that the nine-dash line “clearly lacks international legal status and is tantamount to upset the UNCLOS 1982”.⁵⁰ The fact that

⁴⁶ “RI, Timor Leste agree to boost ties, border talks”, *Jakarta Post*, 27 January 2016.

⁴⁷ Devi Asmarani, “Border operations signal TNI’s shift to maritime focus”, *Jakarta Post*, 22 June 2014.

⁴⁸ The EEZ overlap is above the East Natuna gas block (formerly Natuna Block D-alpha), which, with proven reserves of 46 trillion cubic feet, is the largest in Asia. The high carbon dioxide level will make recovery expensive. The costs, current low energy prices, and political uncertainties suggest that it will be at least after 2030 before production is on line. (“East Natuna development faces possible negotiation delay”, *Jakarta Post*, 27 November 2015).

⁴⁹ China’s claim as registered at the UN is that China has “indisputable sovereignty over the islands in the South China Sea and their adjacent waters and enjoys sovereign rights and jurisdiction over the relevant waters as well as the seabed and subsoil thereof”. The nine-dash line on the Chinese map setting out the claim encloses 80–90 per cent of the South China Sea. China’s UN submission can be accessed at <http://www.un.org/Depts/los/clcs_new/submissions_files/mysvnm33_09/chn_2009re_mys_vnm_e.pdf>. China has never responded to Indonesian requests for the geographic coordinates or the land features from which the supposed baselines of the dashes originate. The assumption is that it sets out an historical claim not based on law.

⁵⁰ The cited Indonesian submission can be accessed at <http://www.un.org/Depts/los/clcs_newsubmission_file/mysvnm33_09/idh_2010re_mys_vnm_e.pdf>.

from Jakarta's vantage the nine-dash line as a maritime border does not legally exist is no deterrent to China's maritime activities and policing in Indonesia's EEZ. Even beyond the nine-dash line China makes a claim for traditional fishing rights, which is not supported by the UNCLOS.

Jakarta has tried to manage the situation in a way that would not involve Indonesia in the wider issues of conflict in the South China Sea or risk disrupting its economic ties to China. Indonesian foreign ministers have played down the concerns of Indonesia's security managers. On 12 March 2014, for example, a senior Indonesian military officer raised the alarm about Chinese intentions in Natuna waters, asserting "China has claimed Natuna waters as their [*sic*] territorial waters."⁵¹ The concern was echoed by Indonesia's military chief, Gen. Moeldoko, in an op-ed piece in the *Wall Street Journal* in which he expressed Indonesia's "dismay in discovering that China has included part of the Natuna Islands in its nine-dash line, apparently claiming a segment of Indonesia's Riau Island province as its territory".⁵² Foreign Minister Marty Natalegawa tried to assuage any anxiety by restating what had become the standard response to questions of the Indonesia-China relationship: "There is no territorial dispute between Indonesia and China."⁵³ While technically true — the EEZ is not territory — it avoids a confrontation with Beijing on China's claims to sovereign rights and jurisdiction in Indonesia's EEZ.

Different geostrategic perceptions of a potential China threat to the *wawasan nusantara* in the Natuna waters that emerged in the late Yudhoyono years between Kemlu and security officials persist in the Jokowi administration. One indication of this was Coordinating Minister Luhut's comment warning Beijing that Indonesia's concern about the nine-dash line might force Jakarta to follow the example of

⁵¹ "China including part of Natuna waters on its map", ANTARA.com, 31 March 2014 <<http://www.antaraneews.com/en/news/93178/china-includes-part-of-the-natuna-waters-on-its-map>>.

⁵² Moeldoko, "China's Dismaying New Claims in the South China Sea", *Wall Street Journal*, 24 April 2014.

⁵³ As quoted in Leo Suryadinata, "South China Sea: Is Jakarta no longer neutral?", *Straits Times*, 24 April 2014.

the Philippines and take the case to an international court.⁵⁴ This was a position that implicitly rejected former foreign minister Marty's view that the Philippines' action had been unhelpful; being unilateral and undermining ASEAN's diplomatic efforts to achieve a Code of Conduct for the South China Sea. Luhut went further in his comments on the nine-dash line when he noted that it "is a problem we are facing, but not only us. It also directly [affects] the interests of Malaysia, Brunei, Vietnam, and the Philippines."⁵⁵ A nervous Kemlu responded to Luhut's comment by stating: "We cannot pre-empt things until we know how they evolve."⁵⁶ Of course, by the time the "thing" evolves, it will be too late for pre-emption.

When asked about Luhut's comments, China's official foreign ministry spokesperson replied that China "has no objection to Indonesia's sovereignty over the Natuna Islands," adding, that China was committed to peaceful settlement of territorial and maritime disputes.⁵⁷ Indonesia has never addressed the issue of the nine-dash line in terms of a maritime dispute. For Jakarta to accept that there is a disputed border would be an admission that there was a common border to be negotiated. By denying there is a border dispute, Indonesia can maintain a diplomatic "honest broker" posture in the welter of boundary and territorial issues pitting China against other ASEAN maritime states.⁵⁸

⁵⁴ "Indonesia also says it could take China to court over the South China Sea", Reuters, accessed at <<http://www.reuters.com/us-china-southchinasea-indonesia-idUSCNOTOOVC30151111>>.

⁵⁵ As quoted in "China confirms 'maritime disputes' with RI", *Jakarta Post*, 13 November 2015.

⁵⁶ *Ibid.*

⁵⁷ Foreign Ministry Spokesperson Regular Press Conference, 23 November 2014 <http://www.fmprec.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2535_665905/t1319496.html>.

⁵⁸ Evan Laksmana, "The domestic politics of Jakarta's South China Sea policy", *The Interpreter*, 1 April 2016 <<http://www.lowyinterpreter.org/post/2016/04/01/The-domestic-politics-of-Jakartas-South-China-Sea-policy.aspx>>.

Defence of Sovereignty and Resources in the Maritime Zone. Directly related to the Global Maritime Axis's focus on borders are the security and defence of those borders and the other elements of Jokowi's GMA project. Both in the programmes of the *Visi-Misi* and explanations of the GMA, attention has been given to building defence capabilities. In this area of state activity, the Jokowi administration inherited a fifteen-year programme for the expansion and modernization of the Indonesian Armed Forces (TNI [*Tentara Nasional Indonesia*]). In a series of three five-year strategic plans (*renstra*), the goal is the creation of a Minimum Essential Force (MEF) by 2024. Jokowi's first term is coincident with Renstra II (2015–19). The MEF is not defined by force size or equipment, but by mission. The legislation authorizing the programme simply called for "a force level that can guarantee attainment of immediate strategic defence interest".⁵⁹ The MEF is structured to secure and defend the *wawasan nusantara* as well as having a limited force projection capability appropriate for a middle power's regional role. The magnitude of the task is illustrated by the facts that Indonesia's EEZ encompasses 6,159,032 sq km (2,370,016 sq mi), the seventh largest in the world, and its coastline is 54,716 km (33,898 mi) long, the second longest in the world.

In the framework of the GMA, the TNI components most essential are the navy (TNI-AL, or Angkatan Laut) and air force (TNI-AU, or Angkatan Udara). The MEF's TNI-AL is planned as a "greenwater" navy designed to operate primarily in policing and defending Indonesia's EEZ. The TNI-AL contributes to regional maritime security in its participation in the Malacca Straits Sea Patrol (MSSP), a coordinated and joint anti-piracy patrolling by sea and air by Indonesia, Malaysia, Singapore, and Thailand. The success of the MSSP in reducing piracy in the western waters was one of the factors leading Indonesia, Malaysia, and the Philippines to agree in May 2016 to joint and coordinated patrolling in the Sulu and Sulawesi seas.⁶⁰ The navy's corvettes and frigates have a

⁵⁹ "Indonesia's Military Modernization", *Asian Military Review*, 1 November 2012 <<http://asianmilitaryreview.com/indonesias-military-modernization/>>.

⁶⁰ "Sulu Sea joint patrolling being finalized: Jokowi", *Channel News Asia*, 5 May 2015 <<http://www.channelnewsasia.com/news/asiapacific/sulu-sea-joint-patrols/2759340.html>>.

limited “bluewater” capability to operate at longer range in support of UN peacekeeping operations, for humanitarian missions, exercising with elements of foreign “bluewater” navies, or to show the flag. One analyst finds the TNI-AL’s MEF programme somewhat biased towards out-of-area operations, but Jokowi finds TNI-AL planning in tune with his GMA expectations.⁶¹

President Jokowi has promised the necessary budget increases to keep Renstra II on track. As a percentage of GDP, the defence budget is up from 1 per cent to 1.5 per cent, double the 2014 percentage and amounting to a budget of US\$18.6 billion. This is based on a domestic growth rate of 6 per cent.⁶² According to *IHS Jane’s*, in the period of Renstra II, Indonesia will have the fastest growing defence budget in Asia.⁶³ It is in the implementation of Renstra II that Jokowi has tried to leave his mark, relating the military build-up to his larger goals of domestic development and anticorruption. He has insisted that procurement decisions should favour domestic suppliers and state-owned defence industries. The purchase of foreign weapons systems should include significant technology transfer and all procurement decisions should be transparent and accountable.⁶⁴

Jokowi must manage the internal politics of the TNI as resources are allocated in the Renstra programmes. In terms of mission and procurement, the defence requirements of the GMA favour the TNI-AL and TNI-AU, both with very expensive weapons platforms. One

⁶¹ Koh Swee Lean Collin, “What Next for the Indonesian Navy? Challenges and Prospects for Attaining the Minimum Essential Force by 2024”, *Contemporary Southeast Asia* 37, no. 3 (2015): 432–62.

⁶² “Indonesia to develop defence systems”, *Jakarta Post*, 23 February 2016.

⁶³ “Indonesia Will Have Fastest Growing Defence Budget in Asia Pacific Over Next Five Years, New IHS Report Says” <<http://press.ihs.com/press-release/aerospace-defense-security/indonesia-will-have-fastest-growing-defence-budget-asia-pac>>.

⁶⁴ Prashanth Parameswaran, “An Indonesian Defense Revolution Under Jokowi?”, *The Diplomat*, 30 January 2015 <<http://thediplomat.com/2015/01/an-indonesian-defense-revolution-under-jokowi/>>.

Russian-made Sukhoi SU-35 is priced at US\$25 million. Under Jokowi, Indonesia has ordered eight second-generation planes to join the twenty-four previously purchased. Their purpose, according to Defence Minister Ramizard Ryacudu, “is to secure the archipelago’s vast air space as well as border areas”.⁶⁵ Indonesia has also signed an agreement with South Korea valued at US\$1.3 billion for the joint development of a new semi-stealth fighter plane.⁶⁶ In 2011, South Korea was awarded a US\$1.1 billion contract for three attack submarines, the first of which was launched in March 2016. The third vessel will be built by the Indonesian state-owned shipbuilder in Surabaya.⁶⁷

The TNI-AD seems to have diminished opportunities to deploy its conventional military capabilities in the framework of the GMA. The fight against radical Islamic terrorism — ISIS or home-grown — is led by the national police force (Polri). Indonesia’s vigorous counterterrorism campaign has been spearheaded since the 2002 Bali bombings by Polri’s Special Detachment 88 (Densus 88, or Detasemen Khusus 88). There has been mission creep for the army as army units joined the police in the 2016 pursuit of ISIS fighters in the Poso region of Central Sulawesi. The army’s counterinsurgency role is being increased in the restive province of Papua, even as President Jokowi and Luhut are promising to give greater economic development support to the province. The plans to open up Papua to investment include the Trans-Papua Highway which when completed will run 4,325 km (2,687 mi). The army is building the road. Its strategic purpose is to link isolated army units.⁶⁸ The Papua mix of

⁶⁵ “Indonesia, Russia to sign deal for 8 Sukhoi jets this month”, *Jakarta Post*, 6 May 2015.

⁶⁶ “Indonesia, South Korea Sign \$1.3bn KF-X/IF-X Fighter Jet Development Deal” <[http://www.defense-aerospace.com/articles-view/release/3/170248/indonesia-signs-\\$1.3bn-fighter-jet-development-deal-with-south-korea.html](http://www.defense-aerospace.com/articles-view/release/3/170248/indonesia-signs-$1.3bn-fighter-jet-development-deal-with-south-korea.html)>.

⁶⁷ “DSME launches first Indonesian type 209/1400 SSK”, *IHS Jane’s 360*, 24 March 2016 <<http://www.janes.com/article/59052/dsme-launches-first-indonesian-type-209-1400-ssk>>.

⁶⁸ “TNI half way through first phase of Papua highway project”, *Jakarta Post*, 31 March 2016.

economic largesse and civic action in a militarized setting is reminiscent of the U.S. “hearts and minds” approach in Vietnam. Indonesian rule in Papua, especially alleged human rights abuses, remains an irritant in Indonesia’s foreign relations. The protagonists of Papua independence are not confined to Papua. It is championed by NGOs, activists and politicians in liberal democratic countries who press the issue on their own governments. In that respect, the international setting for Indonesia’s Papua problem is not dissimilar to that of East Timor before its independence.

Western-based campaigns against Indonesian sovereignty in Papua feed into a second “image” problem for Indonesian foreign policy. This is the growing sentiment in TNI circles that a “proxy war” is being waged against Indonesia. The unnamed enemies use Indonesian proxies to weaken the country so they can grab its resources. Papua is viewed as the next target. Added to the territorial threat, the “proxy war” seeks to corrupt Indonesian culture by attacking Islam, purveying drugs and pornography, and supporting LGBT rights. The “proxy war” scenario has percolated to the top of the TNI, especially the TNI-AD.⁶⁹ Both TNI commander Gen. Gatot Nurmatyo and Defence Minister Gen. (ret.) Ryamizard Ryacudu have publicly espoused the idea of “proxy war”.⁷⁰ The defence against the “proxy war” calls for the indoctrination of Indonesian citizens, particularly students, in patriotic (military) virtues. This was the content of Ryamizard’s *Bela Negara* (“Defend the Country”) proposed schools’ curriculum.⁷¹ It eerily reminds us of Jokowi’s call for a “mental revolution”, although there is no evidence that he shares the political paranoia of the “proxy war” proponents. Whatever the motives,

⁶⁹ “Sidney Jones and Robert Lowry, “Update on the Indonesian Military’s Influence”, *IPAC Report no. 26* <http://www.academia.edu/23189716/Update_on_the_Indonesian_Military_Influence>.

⁷⁰ “Indonesia facing ‘proxy war’ Army Chief of Staff”, *Jakarta Post*, 10 March 2016; “Minister: LGBT Movement More Dangerous than Nuclear Warfare”, *Tempo*, 23 February 2016 <<http://en.tempo.co/read/news/2016/02/23/055747534/Minister-LGBT-Movement-More-Dangerous-than-Nuclear-Warfare>>.

⁷¹ “State defence program inserted into national curriculum”, *Jakarta Post*, 14 November 2015.

the “proxy war” threat seems out of synchronization with President Jokowi’s goal of making Indonesia a more attractive business and tourist destination.

Another “war” is being fought on a front which has become the most dramatic demonstration of Jokowi’s intention to defend Indonesia’s EEZ and fisheries. This is the war against illegal, unreported, and unregulated (IUU) fishing by foreign vessels in Indonesia’s EEZ and archipelagic waters. Enforcement in the EEZ has become a test of the integrity of the Global Maritime Axis. Jokowi has claimed that every day 5,400 foreign fishing vessels are sailing in Indonesian waters, 90 per cent of which are illegal.⁷² He has also been widely quoted as claiming that illegal fishing costs Indonesia US\$20 billion a year.⁷³ A more conservative figure is US\$3 billion.⁷⁴ The fisheries war’s command centre is at the Ministry of Maritime Affairs and Fisheries, headed by Indonesia’s most popular cabinet minister, Susi Pudjiastuti. The strategy is to deter IUU vessels from entering Indonesian waters by widely publicized blowing up and sinking of arrested boats. In the first seventeen months of the campaign, November 2014 to April 2016, 174 foreign vessels were sent to the bottom. The great majority of the vessels were from ASEAN members Malaysia, the Philippines, Thailand, and Vietnam.

Kemlu has shrugged off the diplomatic impacts of the harsh measures. Vietnam, which in the first rounds of sinkings lost forty-six boats, expressed “deep concern,” and in a diplomatic note to Jakarta recommended that Indonesia “pay attention to the strategic partnership” of the two countries in dealing with the fishermen.⁷⁵ The issue came up again when Foreign Minister Retno met Prime Minister Nguyen Tan

⁷² “President Jokowi Orders ‘Shock Therapy’ for Illegal Fishing Boats”, *Wall Street Journal*, 9 December 2014.

⁷³ “Jokowi declares war on illegal fishing”, *Jakarta Post*, 18 November 2014.

⁷⁴ “Illegal Fishing Costs Indonesia 3 Billion Dollars A Year”, *Reporting ASEAN* <<http://www.aseannewsnet/illegal-fishing-costs-indonesia-3-billion-a-year/>>.

⁷⁵ Vietnam Ministry of Foreign Affairs Spokesperson Le Hai Binh <<http://www.tuotrenews.vn/politics/29956/vietnam-asks-indonesia-to-humanely-treat-vietnamese-fishermen-violating-territorial-waters>>.

Dung in Hanoi in April 2015. Dung told her that he “hoped the Indonesian side would treat Vietnamese fishermen and fishing boats crossing into Indonesian territory with a spirit of the traditional friendship and strategic partnership”.⁷⁶ Responding to Thai protests, the Kemlu spokesperson stated: “No country deters the Indonesian government from enforcing laws to eradicate illegal fishing in its own waters.”⁷⁷

Minister of Maritime Affairs Susi categorically states that “all boats caught fishing illegally in the country’s waters will be treated the same”.⁷⁸ This raises the question of how illegal Chinese fishing boats would be treated. At the outset, Jokowi’s top advisers suggested that China would not be exempted. After the sinking of Vietnamese vessels, Rizal Sukma remarked “that maybe we will sink Chinese boats after that also”.⁷⁹ Luhut, asked if Indonesia would sink illegal Chinese fishing boats, answered, “Why not?”⁸⁰ In fact, only one Chinese boat has been sunk, on 20 May 2015. It had been impounded in 2009 and lay rotting in North Borneo. Nevertheless, Beijing expressed its “strong concern” and called on Jakarta to advance fishery cooperation in a constructive attitude.⁸¹ Since then, there have been no sinkings of Chinese boats although reportedly there are at least ten in custody.⁸²

⁷⁶ “Indonesia keen on stronger Viet Nam ties”, *Viet Nam News*, 4 April 2015 <<http://vietnamnews.vn/society/268571/indonesia-keen-on-stronger-viet-nam-ties.html>>.

⁷⁷ “No country deters Indonesia govt to tackle illegal fishing”, ANTARA.com, 21 January 2015 <<http://www.antaraneews.com/en/news/97235/no-country-deters-indonesia-govt-to-tackle-illegal-fishing>>.

⁷⁸ “All illegal fishing boats to be treated equally: Minister Susi” <<http://www.embassyofindonesia.org/?press=6448>>.

⁷⁹ As quoted in Prashanth Parameswaran, “Indonesia may sink Chinese vessels: Jokowi adviser”, *The Diplomat*, 11 December 2014 <<http://thediplomat.com/2014/12/indonesia-may-sink-chinese-vessels-jokowi-adviser/>>.

⁸⁰ The author posed the question at a Washington, D.C., conference in November 2014.

⁸¹ Chinese Foreign Ministry Spokesperson Remarks, 21 May 2015 <http://fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1265874.shtml>.

⁸² “Appeal to Jakarta not to blow up ten Chinese fishing boats”, *Straits Times*, 6 April 2015.

The issue for Indonesia in dealing with IUU fishing by Chinese boats is complicated by China's claim to rights and jurisdiction in Indonesian waters and willingness to use force to defend Chinese boats against arrest in those waters. This was the case on 19 March 2016, when an armed Chinese coast guard vessel intervened to prevent the arrest of a Chinese fishing boat in Indonesia's EEZ.⁸³ Although Indonesia was attempting to exercise its legal rights in its EEZ, the Chinese government stated that the Chinese coast guard had come to assist a Chinese vessel in Chinese traditional waters that was attacked and harassed by an armed Indonesian vessel "and did not enter Indonesian territorial waters".⁸⁴ Of course, the 12-nautical-mile territorial waters were not the issue. It was the Indonesian EEZ that the Chinese coast guard was policing and preventing an official Indonesian-flagged vessel from enforcing Indonesia's rights and jurisdiction. This was not the first incident of its kind, but it was the first in Jokowi's presidency and as such a challenge to the GMA.

The government's reaction was uncoordinated. An angry Maritime Affairs Minister Susi pre-empted Kemlu by calling a Chinese embassy official on the carpet and accusing China of "bullying" and sabotaging Indonesia's foreign policy in the South China Sea.⁸⁵ She threatened China with Indonesian recourse to an international court. Coordinating Minister Luhut announced the strengthening of Indonesia's military forces in Natuna.⁸⁶ The purpose, according to the minister of defence, was "to keep the thieves away".⁸⁷ Foreign Minister Retno asked China

⁸³ "RI confronts China on fishing", *Jakarta Post*, 21 March 2016.

⁸⁴ Chinese Foreign Ministry Spokesperson Hua Chunying's Regular Press Conference, 21 March 2016 <http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1349416.shtml>.

⁸⁵ "RI, China sea spat continues", *Jakarta Post*, 22 March 2016.

⁸⁶ "Menkopolhukam Luhut Pandjaitan: Kami Akan Perkuat Posisi Militer di Natuna", *Inddit.com*, 22 March 2016 <<http://www.inddit.com/s-e/wgr6/menkopolhukam-luhut-pandjaitan-kami-akan-perkuat-posisi-militer-di-natuna>>.

⁸⁷ "Indonesia Will Defend South China Sea Territory With F-16 Fighter Jets", *Bloomberg News*, 31 March 2016 <<http://www.bloomberg.com/news/article/2016-03-31/indonesia-to-deploy-f-16s-to-guard-its-south-china-sea-territories>>.

for an explanation. The answer was the same as in the Chinese public statement, blaming the Indonesian vessel. Kemlu's concern was that hardliners in the government (i.e. Susi) could compromise Indonesia's South China Sea diplomacy. "What we should understand," the deputy foreign minister emphasized, "is that Indonesia and China do not have a border problem".⁸⁸ The minister of finance, thinking of Chinese investment, went even further. In terms of the South China Sea, he said, "we don't have any issues".⁸⁹ The public voice of the president was not heard.

Three weeks after the incident, word came from the presidential palace via Cabinet Secretary Pramono that the matter had been settled.⁹⁰ Without details, he explained that the tension was the result of a "misunderstanding" between Indonesia and China. This left open the questions, what was there to be misunderstood and which Indonesian officials had cleared up the misunderstanding? Pramono's statement seemed to contradict both Retno and Susi. He said Indonesia wanted to settle border issues with China peacefully, this despite the fact that according to Kemlu there are no border issues. Pramono also noted that the parties agreed not to involve external parties.

Coordinating Minister Luhut travelled to China on 26 April, with Natuna and the South China Sea high on his agenda. Implicitly acknowledging criticism that Indonesia was not being firm enough in its dealings with China's maritime intrusions, Luhut vowed not to sell the country short on Natuna.⁹¹ The scheduled meeting was the 5th Bilateral

⁸⁸ "Wanmenlu: Insiden Coast Guard Cina di Natuna Bukan Soal Perbatasan", Detik, 23 March 2016 <<http://www.detik.com/berita/3171188/wanmenlu-insiden-coast-guard-cina-bukan-soal-perbatasan>>.

⁸⁹ "Indonesia-China economic relations unaffected by maritime row: minister", Reuters, 23 March 2016 <<http://www.reuters.com/article/us-indonesia-southchinasea-China-idUSKCNOWPOW>>.

⁹⁰ "Indonesia, China Dispute in Natuna Waters Settled: State Palace", *Tempo*, 13 April 2016 <<http://en.tempo.co/read/news/2016/04/13/055762374/Indonesia-China-Dispute-in-Natuna-Waters-Settled-State-Palace>>.

⁹¹ "Indonesia to settle score with China on Natuna Feud", *Jakarta Post*, 22 April 2016.

Dialogue Mechanism meeting at the deputy-prime-minister level, co-chaired by Luhut and his Chinese counterpart, State Councillor Yang Jiechi. The agenda focused on strengthening pragmatic cooperation in political and security areas of the two countries' strategic partnership.⁹² If there was a discussion about Natuna waters, it does not show up in the official Chinese statements on Luhut's meetings in Beijing. However, meeting the press on his return from China, Luhut said his visit was aimed at easing tensions that had escalated over the illegal fishing disputes. "We want to come to a mutual understanding," he said, "when we talk about fishing in the South China Sea — some sort of a win-win solution."⁹³ He then indirectly took some shots at Maritime Affairs Minister Susi. He said that in matters of boundaries and illegal fishing among neighbouring countries "we don't have to speak up and make a riot out of nothing". Saying the problems should be dealt with internally, face to face, Luhut added: "There's really no need to seek the spotlight by talking to the press about our problem." The message was clear — don't make waves with China. Luhut was quoted in the Chinese press as telling Premier Li Keqiang that "Indonesia views China as its most important cooperation partner."⁹⁴

Maritime Infrastructure Development. Jokowi's vision of the Global Maritime Axis sees Indonesia, with its Asia-Pacific central geographic location and access to major waterways, becoming a major Asia-Pacific maritime commercial hub. In November 2014, he officially unveiled an ambitious five-year programme to upgrade Indonesia's 6 international ports, build 24 new commercial ports, and improve over 1,000 non-

⁹² "China, Indonesia To Further Pragmatic Cooperation" <http://English.gov.cn/state_councilor/2016/04/27/content_28147536304626.htm>.

⁹³ "Luhut: Indonesia, China to Step Up Strategic Security Partnership", *Tempo*, 29 April 2016 <<http://en.tempo.co/read/news/2016/04/29/055767157/luhut-indonesia-china-to-step-up-strategic-security-partnership>>.

⁹⁴ "Indonesia calls China key partner", *China Daily*, 28 April 2016 <http://usa.chinadaily.com.cn/2016-04-28/content_24938065.htm>.

commercial ports.⁹⁵ The projects would open new access to resources and provide a “maritime highway” (*tol laut*) that would link remote parts of the archipelago to world commerce. The cost of the new port projects has been estimated as US\$6–7 billion. This is only one part of the maritime highway vision which includes hundreds of new ships, new shipbuilding and repair facilities, new access roads, fisheries development, marine education, etc. The National Development Planning Board (Bappenas) estimated that the cost by 2019 will be US\$55 billion. The price tag will be partially offset by a projected reduction of national logistics costs from 23.5 per cent of GDP to 19.2 per cent.⁹⁶

The GMA project coincides with China’s effort to build its Maritime Silk Road as the maritime part of the “One Belt-One Road” (OBOR) strategy to connect the major Eurasian economies through infrastructure, trade, and investment.⁹⁷ The Maritime Silk Road was announced by President Xi Jinping in a 3 October 2013 address to Indonesia’s parliament — the first ever by a visiting head of state.⁹⁸ President Xi framed the Maritime Silk Road as a cooperative and integrative joint effort to enhance connectivity and economic interaction among the countries along the sea route from China to Europe. To push the initiative forward, China announced in November 2014 the creation of a US\$40

⁹⁵ For an overview by the Indonesian National Development Planning Board (Bappenas) of the “Ocean Highway” programme, see Pandu Pradhana, “Marine Highway Program in Supporting Indonesia as the World’s Maritime Pivot”, *Sustaining Partnership Marine Transportation Edition 2015* <<http://pkps.bappenas.go.id/attachments/article/1320/Majalah%20KPS%20Edisi%20Transportasi%20Laut> (Eng%Vesion).pdf>.

⁹⁶ “Government, ADB team up to evaluate maritime highway”, *Jakarta Post*, 29 January 2016.

⁹⁷ Bert Hoffman, “China’s One Belt One Road Initiative: What we know thus far”, World Bank blog, 12 March 2015 <<http://www.worldbank.org/eastasiapacific/china-one-belt-one-road-initiative-what-we-know-thus-far>>.

⁹⁸ “Speech of Chinese President Xi Jinping to Indonesian Parliament” <http://www.asean-china-center.org/english/2013-10-03/c_135062675.htm>.

billion Silk Road fund to encourage participation by partners in building the Silk Road.⁹⁹

The joint statement issued at the end of President Jokowi's March 2015 China visit said that Xi Jinping and Jokowi agreed that the Maritime Silk Road and Global Maritime Axis were "highly complementary."¹⁰⁰ The two presidents agreed to work to "synchronize" their maritime interests. The Indonesian understanding of "complementarity" does not account for the possible impacts on its middle-power maritime ambitions as China extends its geostrategic naval reach to the Indian and Pacific oceans. What is important to Jokowi is Beijing's willingness to give Jakarta access to Chinese funding on favourable terms. This was quickly demonstrated in a China-Indonesia MoU on 23 April 2015, which pledged US\$50 billion in loans from the China Development Bank and the Industrial and Commercial Bank of China.¹⁰¹

The GMA projects are only one area of Jokowi's infrastructure development programme. Stagnation has been replaced by ambition. The estimated 2015–19 infrastructure cost is US\$436 billion for road, railway, airport, dam, and other projects including the ports.¹⁰² Infrastructure development is at the heart of Jokowi's goal of achieving a 7 per cent GDP growth rate by 2019.¹⁰³ Only 30 per cent of the cost

⁹⁹ "China to Contribute \$40 Billion to Silk Road Fund", *Wall Street Journal*, 8 November 2014.

¹⁰⁰ "Joint Statement on Strengthening Comprehensive Strategic Partnership between the People's Republic of China and the Republic of Indonesia", 27 March 2015 <http://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2648_665393/t124920.shtml>.

¹⁰¹ "China Loans Indonesia US\$50 billion for Infrastructure Projects", KATADATA.co, 27 April 2015 <<http://en.katadata.co.id/news/2015/04/27/china-loans-indonesia-us50-billion-infrastructure-projects>>.

¹⁰² For an English language overview of the infrastructure projects, see "Infrastructure Projects Based on National Medium-Term Development Plan (RPJMN)" <http://www.iesingapore.gov.sg/~/IE%20Singapore/File/ASIR/Workshop1_Tamba_+Hutapa.pdf>.

¹⁰³ "Jokowi Leans on China, Central Bank to Revive Indonesia's GDP", *Bloomberg*, 11 February 2016 <<http://www.bloomberg.com/news/article/2016-02-11/Jokowi-seeks-china-funds-rate-cuts-to-meet-indonesia-gdp-target>>.

is planned from the state budget. State-owned enterprises (SOE) and foreign financing will be responsible for 70 per cent, of which it is hoped that China will pick up 30 per cent, or more that US\$90 billion. China is already Indonesia's most important source for infrastructure financing, having replaced Japan. In 2011, China's premier Wen Jiabao singled out the Suramada Bridge (US\$450 million) and the Asahan Dam (US\$247 million) as landmark "calling cards" of Chinese infrastructure projects in Southeast Asia.¹⁰⁴ These "landmarks" will be surpassed by China's latest infrastructure calling card to be left in Indonesia, the US\$5.5 billion Jakarta-Bandung high-speed railway. China was awarded the project in a competition with Japan. Unlike Japan's, China's bid did not require any Indonesian state funding guarantees. From its inception, the project has been heavily criticized on domestic political, economic, and technical grounds.¹⁰⁵ It was promoted heavily and pressed diplomatically from the highest levels of the Chinese government. One analysis of the Indonesian decision-making process on the railway concluded that Jokowi made the award to China as a "precondition" for wider access to Chinese credit for the other infrastructure plans on the drawing boards.¹⁰⁶ The billions of dollars proposed to be spent on Jokowi's infrastructure projects, including the GMA, surpass the plans of any of his predecessors. One result will be that the Chinese economic footprint in Indonesia will be enlarged with a potential of influencing Indonesian decision making in other, non-economic, critical interest areas.

Indonesia's Role in the Indian Ocean. The rollout of the Global Maritime Axis heralded Jokowi's attention to the Indian Ocean. The recognition

¹⁰⁴ "Remarks by His Excellency Wen Jiabao Premier of the People's Republic of China at the China – Indonesia Business Dialogue", 30 April 2011 <http://www.fmprc.gov.cn/mfa_en/topic_665678/Wenzonglifangwenmlhxy_665760/8820936>shtml>.

¹⁰⁵ "Opposition grows against Jakarta – Bandung high-speed railway", *Jakarta Post*, 3 February 2016.

¹⁰⁶ Wilmar Salim and Siwage Dharma Negara, "Why is the High-Speed Rail Project so Important to Indonesia?", *ISEAS Perspective*, 2016, no. 16 <http://www.iseas.edu.sg/images/pdf/ISEAS_Perspective_2016_16.pdf>.

of the importance of the Indian Ocean to Indonesia is not new. Former foreign minister Marty Natalegawa had stated the economic and geostrategic significance of the Indo-Pacific interconnection — now an “axis.” He emphasized Indonesia’s “profound interest” in the course of the Indo-Pacific future.¹⁰⁷ The new concentration on the Indo-Pacific in the GMA, however, has been another factor suggesting diminished interest in ASEAN. The rhetorical prominence of the Indian Ocean has not yet resulted in new initiatives or expansion of existing ties. It has featured ties that were established long before the GMA. Now gathered under the GMA umbrella are memberships in the Indian Ocean Rim Association (IORA), the Coral Triangle Initiative (CTI), the Southwest Pacific Dialogue (SWPD), the Melanesian Spearhead Group (MSG), and observer status in the Pacific Islands Forum (PIF) and Pacific Islands Development Forum (PIDF). It should be noted that Indonesia’s interest in the Southwest Pacific has more to do with the preventive diplomacy of forestalling international recognition of the legitimacy of the West Papua Coalition for National Liberation than it does with the GMA.

The *Visi-Misi* particularly singled out Indonesia’s role in the IORA as an important element in Indonesia’s Indian Ocean foreign policy. Jokowi’s administration has taken great pride in Indonesia’s 2015–17 chairmanship of the group.¹⁰⁸ Indonesia’s accession to the chair was by the rules of the organization which call for the promotion of the vice chair (the Indonesian role in 2013–15) to the chair. In Jakarta, the chairmanship was considered a “golden opportunity” for Indonesia to demonstrate leadership in Indian Ocean affairs.¹⁰⁹ Foreign Minister Retno said that

¹⁰⁷ Foreign Minister Marty Natalegawa, “An Indonesian Perspective on the Indian Ocean”, Keynote Address, CSIS Conference on Indonesia, 16 May 2013 <http://www.csis.org/files/attachment/130516_Marty_Natalegawa_Speech.pdf>.

¹⁰⁸ Founded in 1997 and headquartered in Mauritius, the IORA links 21 states from Africa, the Middle East, Indian Ocean, West Pacific, and Southeast Asia, as well as 7 dialogue partners including China, Japan, and the United States. The purpose is to promote trade and investment among the cooperating states. The IORA website can be accessed at <<http://www.iora.org>>.

¹⁰⁹ “Indonesian appointed chairman of Indian Ocean association”, Xinhua, 11 June 2015 <http://www.xinhuanet.com/english/2015-06/11/c_134318746.htm>.

Indonesia would shape the IORA to Indonesia's interests.¹¹⁰ In her remarks on becoming the chairperson, Retno emphasized security and stability as captured in Indonesia's theme for its tenure: "Strengthening Cooperation in a Peaceful and Stable Indian Ocean."¹¹¹ It might seem, however, that Indonesian ambition to refocus the IORA exceeds both the IORA's international role and Indonesia's influence among such a disparate grouping. Rather than the multilateralism of the IORA, Indonesia's key Indian Ocean relationships are still bilateral, especially those with Australia and India.

The Canberra-Jakarta relationship has always been fraught with underlying mutual suspicions. It has been called volatile and risk prone.¹¹² Indonesian nationalists still harbour resentment over Australia's role in the separation of East Timor from the republic. Nevertheless, and without real warmth, the two nations are able to manage the relationship in an understanding of their geostrategic, political, and economic interdependencies. As Foreign Minister Retno has said, "We can't afford to have bad relations with Australia."¹¹³

The Jokowi administration inherited Australian ties at a low point after the diplomatic clashes over Australia's violation of Indonesian territorial waters in its turn-back policy on migrants. This was capped by revelations of Australian espionage directed against Indonesia. Efforts to move forward in the new Indonesian administration were hampered by Australian public outrage over the April 2015 mass executions that included two Australian citizens. The change of government in Australia

¹¹⁰ "Indonesia maritime axis to pivot westwards through IORA", *Jakarta Post*, 26 February 2015.

¹¹¹ "Remarks by H. E. Retno L. P. Marsudi, Minister of Foreign Affairs Republic of Indonesia, Chair of the 15th [IORA] Council of Ministers Meeting", 23 October 2015 <http://www.iora.net/media/161112/com_2015_speech_by_h.e._retno_l_p_marsudi_indonesia.pdf>.

¹¹² Ken Ward, *Condemned to Crisis: A Lowy Institute Paper* (Sydney, Australia: Penguin Australia e-book, 2015).

¹¹³ "We can't afford to have bad relations with Australia: Indonesian foreign minister", *Sydney Morning Herald*, 17 October 2015.

in September 2015 set the stage for reboot, signified by Prime Minister Malcolm Turnbull's visit to Jakarta in November 2015. Also the new Australian foreign minister, Julie Bishop, has been well received by Retno. In March 2016, Bishop officially opened the new Australian embassy building in Jakarta and claimed that Australia-Indonesia relations "have never been closer, never been stronger."¹¹⁴ While perhaps slightly hyperbolic, her remarks did indicate an upswing was in process.

Beyond the bilateral interests involved with Australia, Indonesian strategists are well aware that Australia is the southern anchor of the American military "pivot", a necessary foundation of the regional balance of power. The Indian Ocean part of the balancing is augmented by new strategic engagements negotiated by the Indian government of Prime Minister Narendra Modi.

Like Jokowi, Modi came to power in 2014 with maritime ambitions. Despite historic commonalities and cultural links, Indonesia and India do not have close political relations. The leaders of the world's second and fourth most populous countries and the first and third largest democracies have yet to meet bilaterally. With Modi, India's "Look East" policy became an "Act East" policy with the intention to restore India's pre-eminence in the Indian Ocean. Jokowi's GMA has an Indian counterpart, "Sagara": in Modi's words, the "pursuit and promotion of our geopolitical, strategic and economic interests in the seas, especially the Indian Ocean."¹¹⁵ The premise of India's naval strategy is that "the 21st century will be the 'Century of the Seas' for India and that the seas will remain a key enabler in her global resurgence" [emphasis in the original].¹¹⁶ The strategy has two thrusts, both relevant to Indonesia's interests in the Indian Ocean.

¹¹⁴ Foreign Minister Julie Bishop speech, 21 March 2016 <http://foreignminister.gov.au/speeches/Pages/2016/jb_sp_160321.aspx?w=tb1CaGpkPX%2FIS0K%2Bg9ZKEg%3D%3D>.

¹¹⁵ "Indian Ocean region a policy priority: Modi", *The Hindu*, 7 February 2016 <<http://www.thehindu.com/news/national/modi-india-to-hold-global-maritime-summit-in-april/article8206201.ece>>.

¹¹⁶ Headquarters, Ministry of Defence (Navy), *Ensuring Secure Seas: Indian Maritime Security Strategy* (New Delhi: Ministry of Defence [Navy], 2015).

The first is capability building. Of particular interest to Jakarta should be the upgrade of air force and naval facilities in the Andaman and Nicobar Islands, north of Aceh. A US\$1.5 billion development programme is meant to turn Port Blair, the Andaman capital, into a maritime hub only 400 nautical miles from Sumatra.¹¹⁷

The second policy thrust of Modi's maritime strategy is India's pursuit of cooperative security engagements. The United States and India have signed a "Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region" and India and Australia have a "Framework for Security Cooperation".¹¹⁸ India and Japan have growing defence industrial cooperation in a bilateral relationship which Japan's Prime Minister Abe hailed in December 2015 as having "the greatest potential of any bilateral relationship in the world".¹¹⁹ In Southeast Asia, India's closest cooperative security partner is Vietnam. In May 2015, India and Vietnam signed a "Joint Vision Statement on Defence Cooperation", 2015–20.¹²⁰ Among other activities, the Indian navy is engaged in capacity building of the Vietnamese navy, symbolized by Indian naval visits to Vietnamese ports. India will also build a satellite tracking station and imaging centre in Vietnam which could give Hanoi coverage of the South China Sea.

India, an aspiring great power, is filling geostrategic space in the Indian Ocean as it seeks to counter the rising influence of China. India

¹¹⁷ Sarah Watson, "Will India Truly Start 'Acting East' in Andaman and Nicobar?", CSIS Asia Maritime Transparency Initiative, 12 November 2015 <<http://www.article.csis.org/will-india-truly-start-acting-east-in-andaman-and-nicobar/>>.

¹¹⁸ "U.S.–India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region" <<http://www.whitehouse.gov/the-press-office/2015/01/25/us-india-joint-strategic-vision-asia-pacific-and-indian-ocean-region>>; "Framework for Security Cooperation between India and Australia" <http://www.mea.gov.in/bilateral-documents.htm?dtl/242681/Framework_for_Security_Cooperation_between_India_and_Australia>.

¹¹⁹ "India, Japan Strengthen Ties with Industrial, Military Agreements", *Wall Street Journal*, 13 December 2015.

¹²⁰ "India and Vietnam Sign a Joint Vision Statement on Defence Cooperation", *Indian Defence Review*, 25 May 2015 <<http://www.indiandefencereview.com/news/india-vietnam-sign-a-joint-vision-statement-on-defence-cooperation>>.

is building its security and defence relations while still maintaining its non-aligned posture. Indonesia's security ties with India are minimal. Since 2002, the countries' navies have carried out biannual coordinated patrols along their international maritime border line. This has evolved into a joint exercise operating from Port Blair and Belawan, North Sumatra.¹²¹ The Indian government has pressed for closer security and defence relations with Indonesia.¹²² A higher-profile India is at the centre of an emerging India-constructed Indian Ocean security architecture. There may not be a place in that architecture for Indonesia if it rejects a convergence of security interest between its GMA and India's "Sagara" in favour of "hedging" in its India-China relations.

Economic Diplomacy

President Yudhoyono was well known for his pronouncement that Indonesia had a "thousand friends and no enemies". Jokowi has been more discriminating. He has said that real friends are those who bring benefits to Indonesia.¹²³ He has given the pursuit of economic diplomacy high priority. The president himself has become Indonesia's best salesman. His foreign travel has focused on economic rewards for Indonesia as opposed to Yudhoyono's global issues agendas. This is exemplified by Jokowi's April 2016 visits to Germany, the United Kingdom, Belgium, and the Netherlands, where business deals were sealed.

Jokowi has tried to reshape Indonesian diplomats into salesmen and his embassies into economic showrooms. This was explicit in his call to restructure Kemlu to better represent Indonesia's economic interests

¹²¹ "India-Indonesia coordinated patrol graduates into joint exercise", *The Hindu*, 6 February 2014 <<http://www.thehindu.com/news/national/indiaindonesia-coordinated-patrol-graduates-into-joint-exercise/article5661161.ece>>.

¹²² "Address by [India] Vice President on India and Indonesia 'Companion Souls, Strategic Partners'", 2 November 2015 <<http://www.mea.gov.in/Speech-Statement.htm?dt25990>>.

¹²³ "Jokowi Signals Break With 'Thousand Friends' Foreign Policy", *Jakarta Globe*, 21 November 2014 <<http://www.jakartaglobe.beriasatu.com/news/jokowi-signals-break-with-thousand-friends-foreign-policy>>.

abroad. In a face-to-face meeting with 132 senior Indonesian diplomats, Jokowi implied that 90 per cent of their mission should be dedicated to economic diplomacy.¹²⁴ One disgruntled retired ambassador wrote that, if Jokowi wanted to promote economic diplomacy, he should begin with a “mental revolution” in the ministry.¹²⁵ This has not happened. Both the structure and the culture of Kemlu are resistant to change. Moreover, the budgetary increases and reallocations of resources to support economic diplomacy in a way that would be necessary to meet the president’s expectations have not occurred. In Kemlu itself, there is no directorate for economic affairs or economic diplomacy.

President Jokowi moved to intensify his government’s push outside of Kemlu to utilize foreign policy as a tool to boost Indonesia economically. He broke new bureaucratic ground when he charged twelve ministers and agency heads to be “focal points” for economic diplomacy with key countries or areas having substantial investments in Indonesia.¹²⁶ Theoretically, the roles of the twelve ministers and heads of agencies are to solicit investment and oversee and promote economic agreements and undertakings between Indonesia and the countries for which they have oversight. This would include clearing away obstacles and issues arising on both a government-to-government level and even business-to-business level that would impede a flourishing economic relationship. There is little detail with respect to the bureaucratic structuring indicating how the “focal point” responsibilities would be carried out in the concerned ministries or what the nature of the links to the assigned external targets would be. From Kemlu’s point of view, the “focal points” are considered

¹²⁴ “Indonesia Intensifies Economic Diplomacy to Boost Growth”, ANTARA, 27 February 2015 <<http://www.antaranews.com/en/news/97922/indonesia-intensifies-economic-diplomacy-to-boost-growth>>.

¹²⁵ Djoko Susilo, “The death of reforms in the foreign ministry”, *Jakarta Post*, 19 August 2014.

¹²⁶ “Jokowi appoints 12 officials to seek foreign funds”, *Jakarta Post*, 14 November 2014.

“complementary” to the ministry.¹²⁷ Supposedly, Foreign Minister Retno is expected to coordinate the activities generated by the “focal points”, but what, if any, formal framework for such coordination there might be has yet to be established. The named ministers’ bureaucratic lines do not run to Kemlu but up to the functionally relevant Coordinating Minister. In the long run, the new structures may be simply a gesture to give some substance to Jokowi’s emphasis on economic diplomacy.

In pressing his international economic agenda, Jokowi called for strengthening and increasing Indonesia’s bilateral strategic partnerships. A “strategic partnership” is a formal agreement in which the partners promise to cooperate in the establishment or expansion of functional ties in specific areas of state activity. Jokowi sees the partnerships as opening the door to resources for Indonesia’s economic and social development. It is difficult to identify where new strategic partnerships might be found that would significantly expand Indonesia’s access to markets and resources. Indonesia already has strategic partnerships with all of its important partners, including China, the United States, South Korea, Japan, India, Australia, and many countries in the developing “South” where immediate benefits with respect to economic gains for Indonesia are less promising.

The problem with the partnerships is the difficulty in structuring them in a way that they *in fact* play an important role in a bilateral economic relationship. With the exception of China’s state-owned enterprises and banks, decision making on trade and investment by Indonesia’s most important partners is done on the basis of economic return, not government policy. The real obstacles to be overcome before the goals of economic diplomacy can be realised lie in Indonesia’s domestic political/economic environment: poor infrastructure, protectionism, regulatory hurdles, and corruption. The cumulative impact has been to make Indonesia the least competitive in the international economy of the ASEAN states. Economic diplomacy is not a fix for this.

¹²⁷ Remark to the author in March 2016 by an Indonesian diplomat.

The one area where President Jokowi broke new ground in economic diplomacy was his surprise announcement during his October 2015 visit to Washington that Indonesia planned to join the American-sponsored Trans-Pacific Partnership (TPP).¹²⁸ It was a surprise in Indonesia also, where the topic of membership has divided Jokowi's trade and foreign policy teams. Even as Indonesia inches towards the China-backed Regional Comprehensive Economic Partnership (RCEP), its stubborn protectionism is a major obstacle to freeing of trade. Even as ASEAN partners Brunei, Malaysia, Singapore and Vietnam have signed on to the TPP, and the Philippines is knocking on the door, Indonesian economic and political resistance to the TPP is strong. Indonesian discussions of the TPP tend to be framed in a bilateral rather than multilateral context; that is, Indonesia-United States. The flag of nationalism is raised and Sukarno-esque bogeys of neo-colonialism get unearthed. When it is pointed out that Vietnam, Indonesia's main export competitor, will have TPP access not just to the U.S. but to other TPP member states like South Korea and Japan, this does give anti-TPP Indonesians pause.¹²⁹

Unlike the RCEP, the TPP is a "high-value" instrument which addresses conditions of employment equality, environmental impacts, and labour rights as part of the range of non-traditional issues that are included in the bargaining agenda of developed democracies. Indonesian conspiracy theorists see this as a tactic in the West's "proxy war" against Indonesian culture and traditions. Furthermore, Indonesia cannot meet the qualifications for membership without forcing a major restructuring of the Indonesian regulatory regime that has served to protect the non- and anti-competitive privileges of the oligarchs. Even if Jokowi were willing to swim against the anti-TPP tide in Indonesia, he is not going to

¹²⁸ "In U.S. Visit, Indonesia President Joko Widodo Calls for Elevated Partnership", Embassy of Indonesia News Release, October 2015 <<http://www.embassyofindonesia.org/wordpress/?p+5346>>.

¹²⁹ The TPP question frequently came up in the author's discussions in Jakarta, March 2016.

risk political capital on it until the United States — the key partner and driver — has confirmed its membership. This depends on a U.S. Senate vote to approve the TPP, the outcome of which is quite uncertain.

Indonesia in ASEAN

In their public utterances, Jokowi and his policy advisors have remained committed to ASEAN but, as already noted, they have not placed it at the centre of the administration's foreign policy. Although the first action item in the *Visi-Misi* manifesto's foreign policy outline called for consolidation of Indonesia's ASEAN leadership to guarantee ASEAN centrality, there are few, if any, accomplishments to be noted in this policy arena. ASEAN is outside of the Global Maritime Axis focus. The foreign policy centre is finding and expanding sources for a domestic payoff from Indonesia's interactions in its regional and global environments, and ASEAN is not one of those sources.

Kemlu and the foreign minister do not always seem to be on the same page as the presidential palace with respect to the importance of ASEAN in setting Indonesia's foreign policy direction. Foreign Minister Retno continues to identify ASEAN as the “cornerstone” of Indonesian foreign policy. She still views Indonesia from the vantage of the once academically popular “concentric circle” theory of Indonesian foreign policy. This frames Indonesian foreign policy as working out from an ASEAN centre to the periphery. For Jokowi, Indonesia's foreign policy reaches out directly to bilateral and multilateral potential partners and contributors to his domestic goals. In a sense, it is a business model of what Yudhoyono called an omnidirectional foreign policy.

Because of the relative downgrading of ASEAN in Indonesian foreign policy, Retno's role in it is different than that of her two immediate predecessors, Hassan Wirajuda and Marty Natalegawa. They both worked for a president, Yudhoyono, who was actively engaged in ASEAN, and both were in office to lead in ASEAN when Indonesia chaired it in 2002 and 2011. It seems unlikely that Retno will have that opportunity. Jokowi is not only disinterested, but finds the press of high-level meetings unproductive in terms of results that directly help

Indonesia.¹³⁰ Hassan and Marty had missions in ASEAN. Hassan was a driving force in the creation of the ASEAN Charter and its on-paper commitment to democracy and human rights. Marty was the flag-bearer for ASEAN solidarity as the organization splintered over South China Sea issues discussed below.

There is no presidentially-backed Indonesian agenda for Retno to husband in ASEAN. The changed perception of ASEAN's importance to Indonesia does not mean, however, that Indonesia will not continue to pull its bureaucratic weight in the ASEAN maze of meetings, conferences, and workshops dealing with low-politics functional and technical interstate cooperation. The only ASEAN undertaking of any real significance for Indonesia's interests as defined by Jokowi is the building of the ASEAN Economic Community (AEC). This is in the portfolio of the economic ministers. Sitting among the more experienced manipulators of the ASEAN process, Retno essentially is relegated to a placeholder status from which there is no opportunity to display Indonesia's purported ASEAN leadership. In matters of high politics, the parameters for Indonesian initiatives — leadership — are set by Chinese interests as expressed through Beijing's semi-client states — Cambodia and Laos — in an institutional setting that is neither *bebas* nor *aktif*, but one of conforming to consensus. The Jokowi government seems more aware than its predecessor of the inutility of ASEAN as a platform from which Indonesian vital interests can be furthered or defended. This raises the question, if ASEAN is no longer central to Indonesia, what is to be said of ASEAN's claim to centrality in the international architecture of Southeast Asia? If not through ASEAN, how can Indonesia as the regional middle power address the issues of conflict and stability posed by great-power political and military intrusion?

Indonesia Navigating between China and the United States

In 2012, Rizal Sukma described Indonesia's long-standing security strategy in the dynamics of the emerging Asia-Pacific geostrategic rivalry

¹³⁰ One of Vice President Kalla's jobs is to pick up a share of the burden of multilateral meetings which heads of state or their representatives are expected to attend.

of China and the United States as “hedging” against the uncertainties for Indonesian interests as the great-power interests clashed.¹³¹ The hedging goal is the furthering of Indonesia’s national interests in its bilateral relationship with both great powers without compromising its relationship with either. At the same time, the strategy seeks to reduce potential negative consequences for Indonesia in the great-power interest competition. In a sense, hedging is *bebas dan aktif* at work. According to Sukma, hedging remains Indonesia’s strategy in Jokowi’s great-power dealings.¹³² A premise of hedging is that neither China nor the United States threatens Indonesia’s vital interests and that Indonesia does not threaten the vital interests of the great powers.

The hedging strategy is an option for Indonesia because it does not have a strategic military alliance or treaty obligations with either China or the United States. This is what the long history of Indonesia’s nonalignment can be reduced to. As an ideological symbol of Indonesian foreign policy, nonalignment, like *bebas dan aktif*, can be traced back to Hatta’s foundational speech. Even as President Sukarno hailed the Jakarta-Phnom Penh-Beijing-Pyongyang Axis, Indonesia remained non-aligned. President Suharto maintained Indonesia’s nonalignment even as its security relationship with the United States blossomed during the Nixon and Bush-41 administrations. Interrupted by the human rights agenda of the American Clinton administration and congressional reaction to Indonesian atrocities in East Timor, close security relations were renewed and broadened in the post-9/11 Bush-43–Yudhoyono years. Although Indonesia’s nonalignment was not compromised, U.S.-Indonesia security cooperation had created what has been termed “one of the clearest cases of limited alignment in Southeast Asia.”¹³³

¹³¹ Rizal Sukma, “Indonesia and the Emerging Sino-US Rivalry in Southeast Asia”, in *The New Geopolitics of Southeast Asia*, edited by Nicholas Kitchen (London: LSE IDEAS Report SRO 15, 2012), pp. 42–46 <<http://www.lse.ac.edu/IDEAS/publications/reports/SRO15.aspx>>.

¹³² Rizal Sukma, “Insight: Is Indonesia tilting to China?”, *Jakarta Post*, 11 December 2015.

¹³³ John G. Ciociari, *The Limits of Alignment: Southeast Asia and the Great Powers since 1979* (Washington, D.C.: Georgetown University Press, 2010), p. 130.

The Obama and Jokowi administrations have continued the nearly five-decades-long pattern of America-Indonesia security cooperation. This is currently formally embodied in the October 2015 American and Indonesian Defence Ministers' Joint Statement for Comprehensive Defence Cooperation.¹³⁴ This is an aspect of the parallel diplomatic structures built by Yudhoyono to consolidate and enhance Indonesia's bilateral functional interactions with China and the United States. In April 2005, during Chinese President Hu Jintao's state visit to Indonesia, he and President Yudhoyono issued the declaration of the Indonesia-China Strategic Partnership.¹³⁵ During U.S. President Obama's trip to Indonesia in November 2010, the United States and Indonesia agreed to a multi-functional Comprehensive Partnership.¹³⁶ The Indonesia-China Strategic Partnership was upgraded to a Comprehensive Strategic Partnership when Xi Jinping visited Indonesia in October 2013.¹³⁷ When Jokowi visited China in March 2015, the Xi-Jokowi joint statement expressed the two presidents' agreement to enhance the partnership.¹³⁸ Eight months later, Jokowi, in Washington, D.C., maintained the balance in Indonesia's great-power partnerships. In a joint statement, the bilateral relationship was raised to the Indonesia-China level of a Comprehensive Strategic Partnership.¹³⁹

¹³⁴ "Readout of Secretary Carter's Meeting with Indonesian Minister of Defense Ryamizard", 26 October 2015 <<http://www.defense.gov/News/News-Releases/News-Release-View/Article/625985/readout-of-secretary-carters-meeting-with-indonesian-minister-of-defense-ryamiz>>.

¹³⁵ "Indonesia is now a strategic partner", *China Daily*, 25 April 2005 <http://www.chinadaily.com.cn/english/doc/2005-04/25/content_437349.htm>.

¹³⁶ "United States – Indonesia Comprehensive Partnership" <<http://www.state.gov/r/pa/prs/ps/2013/10/215196.htm>>.

¹³⁷ "Indonesia, China forge comprehensive strategic partnership in various field[s]", ANTARA, 7 October 2013 <<http://www.antaranews.com/en/news/91035/indonesia-china-forge-comprehensive-strategic-partnership-in-various-field>>.

¹³⁸ The joint statement can be accessed at <http://www.fmprc.gov.cn/mfa_eng/wjdt_665386/2649_665345/t1249201.shtml>.

¹³⁹ The joint statement can be accessed at <<http://www.whitehouse.gov/the-press-office/2015/10/26/joint-statement-united-states-america-and-republic-indonesia>>.

A strategic partnership is a conceptual umbrella over broad areas of functional cooperative activities and agreements designed — from the Indonesian side at least — to promote exchanges that will contribute to Indonesia’s economic and social development goals. As noted above, Jokowi’s economic diplomacy has emphasized partnership relations around the world. The American and Chinese partnerships are particularly important for Jakarta since these two countries, the first and second largest world economies, both see Indonesia as an important player in the region’s geostrategic future and are politically responsive to its needs. There is considerable overlap in the functional areas covered in the great-power partnerships, with the exception of democracy and human rights in the U.S.-Indonesia relationship.

Both the Chinese and the American partnerships include defence as a functional area for cooperation. This takes place without any Indonesian commitment to or endorsement of the geostrategic vision or military planning of either great power. However, as already noted, Indonesia’s defence ties to the United States are broader and deeper with an extensive range of educational, training, and joint exercising activities involving all branches of the TNI, giving the United States greater operational experience with the Indonesian military than China has. The Chinese defence exchanges, highly promoted by Beijing, tend to be more politically symbolic in effect rather than enhancing Indonesia’s capabilities let alone interoperability. In its defence procurement programmes, Indonesia aims for diversification, best prices, technology transfer, and co-production in its state-owned defence industries, a process in which neither China nor the United States is particularly favoured.

Rizal Sukma, in discussing Indonesia’s hedging approach to the great powers, characterized it as “equal relations”.¹⁴⁰ What is “equal” is the structuring of the frameworks for functional exchanges. What is not necessarily “equal” is the extent and political significance of the exchanges. We have already seen that in defence cooperation activities there is an “inequality” that tilts towards the American partnership, but which does not lead to a political imbalance that would disturb the

¹⁴⁰ Rizal Sukma, “Insight: Is Indonesia tilting to China?”, *Jakarta Post*, 11 December 2015.

China partnership. Jokowi's ambitious domestic development agenda has raised the question of whether the search for expanded international trade, investment, and credit will lead to a "tilt" to China. Indonesia's leaders readily acknowledge that China is Indonesia's most important economic cooperation partner. The question is whether the broadening and deepening of the Chinese economic penetration of Indonesia could lead to Chinese political influence undermining hedging security strategy. The answers to these questions require a look at the facts and trends in China's trade, investment, and creditor relations with Indonesia.

China is Indonesia's single largest trade partner with two-way trade in 2015 valued at US\$44.4 billion.¹⁴¹ Indonesia's exports to China were valued at US\$15 billion and imports from China at US\$29.4 billion, for a negative Indonesia trade balance of -US\$14.4 billion. Indonesia's trade with China amounted to 15 per cent of its total trade of US\$292.9 billion. Indonesia's two-way trade with the United States in 2015 was valued at US\$23.8 billion, just more than half of its China trade and 8.6 per cent of Indonesia's total trade. Indonesia's exports to the United States were valued at US\$16 billion and imports from the United States at US\$7.6 billion, with an Indonesian positive trade balance of +US\$8.4 billion. As a trade partner with Indonesia, the United States is in fourth place, behind Singapore and Japan. The five-year (2011–15) trend in trade growth is negative for all of Indonesia's major trade partners including China. Indonesia is not a leading trading partner for China. It is only China's fourth-most-important trade partner in ASEAN, after Malaysia, Thailand, and Singapore. The statistics belie the political rhetoric of trade targeting. In 2013, Xi and Yudhoyono had aimed for a two-way trade of US\$80 billion by 2015.¹⁴² The shortfall was US\$35.6 billion. In fact, the

¹⁴¹ Trade statistics are as given by the Indonesian Ministry of Trade <<http://www.kemendag.go.id/en/economic-profile/Indonesia-import-export/balance-of-trade-with-trade-partner-country?negara=116>>.

¹⁴² "China, Indonesia aim for 80 bln dollars in bilateral trade by 2015", Xinhua, 3 October 2013 <http://www.xinhua.com/english/china/2013-10/03/c_132770911.html>.

2015 figure is US\$6.6 billion less than that of 2012, the base from which Xi and Yudhoyono were projecting. What then is to be said of Xi and Jokowi projecting in 2015 a trade figure of US\$150 billion by 2020?¹⁴³ Jokowi, like Yudhoyono, has eagerly solicited Chinese foreign direct investment (FDI) to help propel his economic development programme. Finance Minister Bambang Brodjonegoro has stated that Indonesia's international economic strategy was changing to "cater" to China both in trade and FDI.¹⁴⁴

China was ninth on the Indonesian Investment Coordinating Board's (BKPM) 2015 list of Indonesia's FDI partners at US\$663 million, nearly double what it had been in 2014, but still only 11 per cent of Singapore's Indonesia investment of US\$5.9 billion. Malaysia was in second place at US\$3 billion and the United States stood at seventh with US\$890 million.¹⁴⁵ The Chinese total may be understated, with unrecorded Chinese investment through proxies in Hong Kong, Singapore, and other countries. It has been suggested that China might in fact be the largest investor in Indonesia.¹⁴⁶ More important than FDI commitments are deliverables. The Chinese record is not good in this respect. According to the BKPM, between 2005 and 2014, only 7 per cent of Chinese investments had been realized compared to Japan's 65 per cent. Furthermore, a significant part of China's investment is in resources development directly linked to China's domestic industry without creating downstream production capabilities for the Indonesian economy. For example, the largest group of Chinese investment projects in Indonesia in 2015 were smelters to process bauxite in South Kalimantan.

¹⁴³ "China, Indonesia vow to further deepen comprehensive strategic partnership", Xinhua, 22 April 2015 <http://news.xinhuanet.com/english/2015-04/22/c_134175211.htm>.

¹⁴⁴ "Indonesia turns to China for capital and trade", *Jakarta Post*, 27 January 2016.

¹⁴⁵ The figures are from BKPM's 2015 Quarter IV report on FDI with a January – December compilation <<http://www.bkpm.go.id>>.

¹⁴⁶ "China likely biggest investor in Indonesia", *Jakarta Post*, 25 January 2016.

The FDI record of China in Indonesia raises questions about the 23 March 2006 announcement by BKPM head Franky Sibarani that China and Indonesia had targeted the 2016 value of China's investments in Indonesia as US\$30 billion and double that in 2017.¹⁴⁷ This is more unlikely than the trade targets. This would be equal in 2016 to Singapore's existing US\$31 billion in realized investments in Indonesia. In the same press release, it was stated that the total value of Chinese investment 2010–15 was US\$2.1 billion. The U.S. figure is US\$8.2 billion. It is possible that the prospective FDI target of US\$90 billion in the two years 2016–17 is a cumulative FDI and loan total. Even that, however, goes far beyond what is in the pipeline or what Indonesia could absorb. Indonesian Trade Minister Thomas Lembong places the quest for increased Chinese FDI in a different context; that is, a balanced bilateral economic relationship. By this he meant increased Chinese FDI to offset Indonesia's surging trade deficit with China.¹⁴⁸ Based on the statistics cited above, the 2015 trade deficit was more than twenty times more than China's Indonesian FDI. If China-Indonesia trade expands, it is likely that the imbalance in the bilateral imbalanced relationship will persist and even widen.

The importance that President Jokowi has placed on access to Chinese loans to fund his infrastructure projects, including the GMA, has been discussed at an earlier point. From 2001 to 2014 Indonesia was the recipient of US\$61 billion and was China's sixth-largest funding client, with the loans focused on mining and natural resources and the supporting infrastructure.¹⁴⁹ China's commitment to the previously noted

¹⁴⁷ "Indonesia Targets US\$30bn Chinese Investment", *Tempo*, 22 March 2016 <<http://en.tempo.co/read/news/2016/03/22/056755774/Indonesia-Targets-US30bn-Chinese-Investment>>.

¹⁴⁸ As quoted in "Indonesia eyeing more investment from China", *Jakarta Post*, 20 November 2015.

¹⁴⁹ Charles Wolf, Jr., "China's Foreign Aid Offensive", *The Weekly Standard*, 6 July 2015 <<http://www.theweeklystandard.com/chinas-foreign-aid-offensive/article/978676>>.

US\$50 billion infrastructure loan underlines the signal interest Beijing has in the bilateral relationship. It may also reflect an appreciation of the potential for future Sino-Indonesian ties to the Jokowi administration in other interest areas. The United States cannot compete with China in this area of economic relations with Indonesia. The Chinese government state-owned banks, in particular the Industrial and Commercial Bank of China and the China Development Bank, provide the funds and Chinese state-owned companies are the investment partners. China has another advantage in lending and investment in that it is not bound by non-economic conditions applied to project approval. Indonesia, of course, has other funding sources including the World Bank, whose projects' value for 2012–2016 was \$7.3 billion, and the Asian Development Bank, whose loans to Indonesia for 1966–2015 total US\$31 billion.¹⁵⁰ The World Bank has offered Indonesia an infrastructure loan of up to US\$12 billion to 2019, the same period as China's US\$50 billion package.¹⁵¹

On 16 January 2016, the new Asian Infrastructure Investment Bank (AIIB) was officially launched, providing a new credit facility for Indonesia and other Asian developing states.¹⁵² Its doors opened for business slightly over two years after it had been proposed by China's President Xi Jinping in the same speech to the Indonesian parliament in October 2013 in which he announced the Maritime Silk Road.¹⁵³ Viewing the Chinese initiative as a challenge to the established regional

¹⁵⁰ The data sources are, respectively, country fact sheet, accessed at <[http://www/worldbank.org/en/country/Indonesia](http://www.worldbank.org/en/country/Indonesia)> and <<http://www.adb.org/publications/indonesia-fact-sheet>>.

¹⁵¹ "World Bank Aids Indonesia Infrastructure Plans with 12 bln Loan", Reuters, 20 May 2015 <http://www.reuters.com/article/indonesia-worldbank-idUSL_3NOYB26S20150520>.

¹⁵² "China launches new AIIB development bank as power balance shifts", Reuters, 17 January 2016 <<http://www.reuters.com/article/us-asia-aiib-investment-idUSKCN0U03Y>>.

¹⁵³ "Speech of Chinese President Xi Jinping to Indonesian Parliament" <http://www.asean-china-center.org/english/2013-10-03/c_135062675.htm>.

economic order, the American Obama administration lobbied vigorously to dissuade friends and allies from joining.¹⁵⁴ The AIIB is capitalized at US\$100 billion and has fifty-seven founding members, with thirty waiting to join. China, with a subscription of US\$29.79 billion, is the largest shareholder. Four of the top ten highest subscribers at more than US\$3 billion each are American allies Germany, France, Australia, and the United Kingdom. With a pledge of US\$3.36 billion, Indonesia is the eighth largest shareholder.¹⁵⁵ Two weeks after his inauguration, Jokowi met China's foreign minister Wang Yi in Jakarta and expressed his support for the AIIB. Wang assured the new Indonesian president that China considered Indonesia a priority in its diplomacy.¹⁵⁶ The formal signing of the MoU on membership on 13 November 2014, made Indonesia the twenty-second founding member. At the AIIB launch, Indonesia had six project proposals ready for loan applications with a value of more than US\$2 billion.¹⁵⁷

The AIIB is headquartered in Beijing and its president is Chinese. Its governors and directors represent the international diversity of its shareholders. From a political vantage point, the AIIB is an institutional monument to China's regional great-power status. As an economic development agency, it will complement, supplement, and cooperate with the Japan-led ADB and the World Bank.¹⁵⁸ The AIIB's first project loan to Indonesia was co-funded by the AIIB and World Bank at US\$216

¹⁵⁴ Daniel W. Drezner, "Anatomy of a whole-of-government foreign policy failure", *Washington Post*, 27 March 2015.

¹⁵⁵ "Top 10 Shareholders of the Asia Infrastructure Investment Bank", *China Daily*, 2 July 2015 <http://usa.chinadaily.com.cn/1015-07/02/content_21161437.htm>.

¹⁵⁶ "President Joko Widodo of Indonesia Meets with Wang Yi", 3 November 2014 <http://fmprc.go.cn/mfa_en/zxxx_662804/t1207492.shtml>.

¹⁵⁷ "RI to propose six projects to AIIB for funding", *Jakarta Post*, 15 January 2016.

¹⁵⁸ Ankit Panda, "China-led AIIB Looks Toward Co-Financing Projects, At Least Initially", *The Diplomat*, 10 May 2016 <<http://thediplomat.com/2016/05/china-led-aiib-looks-toward-co-financing-projects-at-least-initially/>>.

million each.¹⁵⁹ It is clear that Indonesia's membership in the AIIB is not part of a hedging strategy. What would have had political significance in the politics of navigating the great-power reefs would have been if Indonesia, like the United States and Japan, had opted out.

In his economic dealings with China, Jokowi has to be sensitive to the long history of anti-ethnic Chinese sentiments among large swathes of the Indonesian electorate. The Prabowo election campaign tried to convince voters that Jokowi was an ethnic Chinese Christian. The false claim dogged the campaign and may have contributed to the closeness of the outcome.¹⁶⁰ Jokowi has been accused of bias towards China and Sino-Indonesian businessmen.¹⁶¹ The controversial award of the Bandung high-speed railway has been interpreted this way by anti-Jokowi forces.¹⁶² A nationalistic factor is also at play, with grumbling that Chinese-backed infrastructure projects come with Chinese workers and dumping of Chinese overproduction of construction materials like steel and cement, displacing Indonesian labour and products.¹⁶³

The impress of China's economic weight on Indonesia viewed in relation to the other ASEAN states seems to be proportional to Indonesia's

¹⁵⁹ A "slum upgrade" project, the details of which can be accessed at <http://euweb.aiib.org/htm/2016/Projects_0601/114.htm>.

¹⁶⁰ Jon Emont, "Jokowi, the 'Indonesian Obama,' Is in a Presidential Nail-Biter", *New Republic*, 9 July 2014 <<https://newrepublic.com/article/118613/indonesia-election-results-2014-joko-jokowi-widodo-nail-biter>>.

¹⁶¹ Charlotte Setijadi, "Ethnic Chinese in Contemporary Indonesia: Changing Identity Politics and the Paradox of Sinification", *ISEAS Perspective*, 2016, no. 12, p. 9, accessed at <http://www.iseas.edu.sg/images/pdf/ISEAS_Perspective_2016_12.pdf>.

¹⁶² As explained to the author by a Jokowi critic in Jakarta in April 2016, the president was persuaded to go ahead with the project after having cancelled it by Sino-Indonesian businessmen who politically bankrolled him and who would profit from the deal.

¹⁶³ "Steel Imports from China into Indonesia Surged in 2015", Indonesia-Investments, 15 March 2016 <<http://www/indonesia-investments.com/news/todays-headline/steel-imports-from-china-into-indonesia-surged-in-2015/item6600>>.

economic potential and political significance. The Indonesia-China bilateral structures to promote economic cooperation are replicated in China's relations throughout Southeast Asia and are not peculiar to Indonesia. China is the major trading partner of ASEAN. China remains the Philippines' largest trading partner despite Manila being regularly politically excoriated by Beijing over South China Sea issues. The overall pattern of the China-Indonesia economic relationship in Jokowi's policy fits that of his predecessors, beginning with Megawati and Premier Zhu Rongji in 2001. Indonesia is fully engaged in the global economy. Unlike China's semi-client states in Southeast Asia, Indonesia's economic ties to Japan, the United States, the EU, and other global economies make it unlikely that Chinese economic pressure alone could move Indonesia from its *bebas dan aktif* hedging path through China-U.S. competition for geostrategic space in East Asia and the Pacific.

Indonesia's Role in the South China Sea Issues

The foreign policy action plan of Jokowi's *Visi-Misi* manifesto listed the fifth item of its first priority as reducing the great powers' maritime rivalry and pressing for the settlement of territorial disputes. Although not specified, this referred to the issues in the South China Sea threatening regional peace and security. In terms of action and outcomes, however, the Jokowi government has had no more success than its predecessors. With no new initiatives or approach to the great-power regional policies or new models for regional conflict resolution, Indonesia's role is unchanged. As such, it demonstrates how limited Indonesia's middle-power capabilities are, particularly when enmeshed in an ASEAN diplomacy in which Indonesia's *bebas dan aktif* is transmogrified into "dependent and passive."

Jokowi took office as the long-simmering territorial, maritime, and legal disputes attached to China's policy in the South China Sea reached new levels of great-power tension and threat to regional peace and security as China escalated the expansion and militarization of its Spratly Islands' bases, including artificial islands. From these forward perches, China is building capabilities to enforce its claims to sovereign rights and jurisdiction in the disputed waters, islands, rocks, and other nations' EEZs

lying behind the nine-dash line. China has already declared “military alert zones” around its Spratly operations, warning foreign vessels and aircraft away from its constructions and military build-up. These zones have no basis in law and are challenged by American surveillance flights and navy “freedom of navigation” patrols.” It is expected that China’s next step will be a unilateral imposition of an “air defence identification zone” (ADIZ) covering its claimed South China Sea airspace. The United States has stated that it would ignore it, as it has China’s East China Sea ADIZ. Whether China would try to enforce the ADIZ on commercial airlines going from and to Southeast Asia would be a matter of Chinese detection and intercept capabilities and, especially, political considerations. Even if the ADIZ were not enforced, its promulgation alone would be another assertion of China’s rights and jurisdiction.¹⁶⁴ This was the case in 2014 when China unilaterally applied its domestic law to require foreign fishing vessels and survey ships to register and get approval to operate in its claimed South China Sea maritime space.¹⁶⁵ Enforcement was not necessarily the immediate political end. What is significant is the assimilation of the South China Sea space to the jurisdiction of Chinese law as stipulated in Article 2 of China’s 1992 Law on the Territorial Sea and the Contiguous Zone.¹⁶⁶ This was incorporated in the Chinese declaration upon its 1996 ratification of the UNCLOS. China also invoked the Convention’s Article 298 to opt out of the dispute resolution mechanisms with regard to disputes concerning sea boundary

¹⁶⁴ For analysis of the significance of a South China Sea ADIZ, see Michael Pilger, “ADIZ Update: Enforcement in the East China Sea, Prospects for the South China Sea, and Implications for the United States”, Staff Research Report for the U.S.–China Economic and Security Review Commission, 2 March 2016 <http://origin.www.uscc.gov/sites/default/files/Research/ADIZ%20Update_0.pdf>.

¹⁶⁵ Carl Thayer, “China’s New Fishing Regulations: An Act of State Piracy?”, *The Diplomat*, 13 January 2014 <<http://thediplomat.com/2014/01/chinas-new-fishing-regulations-an-act-of-state-piracy/>>.

¹⁶⁶ An English language translation of the law can be accessed at <http://www.un.org/Depts/los/LEGISLATIONANDTREATIES/PDFFILES/CHN_Law.pdf>.

delimitation, military activities, and law enforcement activities.¹⁶⁷ In short, for China, the UNCLOS does not apply to the South China Sea.

Jokowi inherited Indonesia's South China Sea policies and has shown no sign of altering them. If in the past Indonesian policy has had no effect, either bilaterally or through ASEAN, in moderating China's steady forceful advance towards the goal of enforcing its claimed sovereign land and sea rights in its South China Sea domain, there is no reason to expect the future to be different. Jakarta has treated the problems presented by China's activities in the South China Sea as three separate issue areas. The first, already alluded to, is the defence of the integrity of Indonesia's EEZ. Indonesia's position from Foreign Minister Alatas in 1992 to Retno today is that the nine-dash line has no legal basis in maritime law and therefore there is no question of Indonesia's UNCLOS-guaranteed rights and jurisdiction. However, China's ratification of UNCLOS specifically exempted its South China Sea claims from UNCLOS's application. Jokowi advisor Rizal Sukma, trying to defuse the March 2016 China-Indonesia incident in the EEZ, recast it as a fisheries dispute. He argued that Indonesia and China should not allow a dispute over fishing rights to develop into a political and territorial "feud."¹⁶⁸ His solution was for both parties to abide by UNCLOS, and he called on China never to violate Indonesian sovereignty or infringe on its EEZ. There is little expectation that China will be persuaded to this course of action. A new factor will be the Permanent Court of Arbitration's decision on the Philippines' case against Chinese maritime claims. While a ruling in favour of the Philippines may strengthen Indonesia's legal position, China, which has rejected the PCA's jurisdiction, might be motivated to enforce its claimed maritime boundary at the nine-dash line even more vigorously.

The second thrust in Indonesia's South China Sea policy has been to offer its good offices as a mediator or honest broker in resolving the territorial disputes in the Spratlys between China and Vietnam and the Philippines. The premise for an Indonesian intervention is that Indonesia has no territorial claims in the region and is neutral and impartial.

¹⁶⁷ The declaration can be accessed at <http://www.un.org/Depts/los/convention_agreement/convention_declarations.htm>.

¹⁶⁸ Rizal Sukma, "Fishing rights the crux of issue", *Straits Times*, 2 April 2016.

Indonesia's motivation is its interest in a peaceful and politically stable region as well as an exercise in regional leadership. The offer evolved diplomatically in the Yudhoyono administration.¹⁶⁹ The possibility was taken up by Jokowi. Even before his inauguration, he told the Japanese foreign minister that his government would “stand ready” to mediate in the South China Sea disputes.¹⁷⁰ Enroute to his first official visit to China in March 2015, Jokowi reasserted Indonesia's neutrality in the territorial disputes and its readiness to act as an honest broker.¹⁷¹ It is unlikely that the invitation to intervene will ever come. The Chinese position is firm and is consistently voiced. For example, ten days before Jokowi's inauguration, China's foreign ministry spokesperson restated the litany: “Disputes should be settled by the countries directly concerned. No third party should be involved in this.”¹⁷²

Jakarta's would-be initiative has been undermined in ASEAN. In April 2016, China's Foreign Minister Wang Yi met with his Laotian counterpart, Saleumxay Kommasith, the 2016 ASEAN Chair. According to the Chinese, the Laos foreign minister agreed with the Chinese position that the South China Sea issues had to be resolved by parties directly concerned and that third parties should not be involved, including ASEAN.¹⁷³ The foreign minister of landlocked Laos also said he understood China's “optional exception” from the UNCLOS.

¹⁶⁹ Derry Aplianta, “Indonesia's Response in the South China Sea Disputes: A comparative analysis of the Soeharto and the post-Soeharto era”, *Journal of ASEAN Studies* 3, no. 1 (2015): 1–21 <<http://journal.binus.ac.id/index.php/jas/article/view/749>>. This is a Kemlu-based study.

¹⁷⁰ “Japan seeks Jokowi's help on disputed issues”, *Jakarta Post*, 13 August 2014.

¹⁷¹ “Jokowi Clarifies: Indonesia Still Neutral in S. China Sea Dispute”, *Jakarta Globe*, 5 March 2015.

¹⁷² China Foreign Ministry Spokesperson Regular Press Conference, 9 October 2014 <http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2811_665403/t1198634.shtml>.

¹⁷³ “Wang Yi: China and Laos Reach Consensus on South China Sea Issue and China Appreciates Laos' Objective and Fair Stance”, Ministry of Foreign Affairs of the PRC, 23 April 2016 <http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1358479.shtml>.

Even though there is no realistic prospect that China would accede to Indonesian good offices in the disputes, Indonesian attachment to the idea is one of the factors that mutes Jakarta criticism of China's policy for fear of closing a door which, in fact, is not open.

The third element of Indonesia's South China Sea policy has been the cession of its political leadership to an ASEAN search by consensus for an illusory rule-based maritime regime within which China's strivings for dominance in the South China Sea region can be contained and disciplined to the UNCLOS and a hypothesized common interest in regional peace, security, and stability. What has become clear in the process is that China's influence in ASEAN on decision making on South China Sea issues is more decisive than Indonesia's. From the 1992 ASEAN Declaration on the South China Sea to the 2002 Declaration on the Conduct of Parties in the South China Sea (DoC), and the yet-to-be achieved Code of Conduct of Parties in the South China Sea (CoC), Indonesia has participated in ASEAN South China Sea diplomatic dialogue with China. If measured in terms of Chinese adherence to the undertakings it gave in the DoC, the diplomatic exercise has had no real results in slowing the Chinese advance.

The terms of the dialogue have been set by Beijing. The critical cases and flash points cannot be discussed because ASEAN accepts China's insistence that bilateral disputes should not be on ASEAN's agenda. The fact that the dialogue is about Chinese policy and behaviour cannot be mentioned. The prohibition is enforced in ASEAN by the friends of China. China's veto was clearly displayed at the July 2012 ASEAN Foreign Ministers' Meeting when, in the context of the DoC, Indonesia, Malaysia, Vietnam, and the Philippines tried to insert in the final Chairman's Statement a reference to China's actions at the Philippines' Scarborough Shoal and in Vietnam's EEZ. The Cambodian chairman, Foreign Minister Hor Nam, refused to allow it, and the meeting collapsed in disarray with, for the first time in ASEAN history, no ASEAN final communiqué.¹⁷⁴ Indonesia's Foreign Minister Marty, in

¹⁷⁴ Donald E. Weatherbee, *International Relations in Southeast Asia: The Struggle for Autonomy*, 3rd ed. (Landover, Md.: Rowman & Littlefield, 2015), pp. 177–79.

a 36-hour desperate effort to save ASEAN solidarity, patched together a Six-Point Principles on the South China Sea pronouncement which became ASEAN's consensual position.¹⁷⁵ It was essentially a restatement of the DoC, with no mention, direct or indirect, of the Philippines' and Vietnam's maritime disputes with China. In the press conference announcing the "Six Principles," the Cambodian foreign minister said that the agreement showed that "Cambodia is not at fault at all," suggesting that two countries (the Philippines and Vietnam) had plotted behind the scenes against Cambodia.¹⁷⁶

Foreign Minister Marty's rush to save the 2012 ASEAN Foreign Ministers' Meeting was not designed to further any kind of meaningful progress in the ASEAN-China dialogue on the South China Sea. It was to paper over political rifts and maintain the façade of ASEAN unity. The emergence of China as a kind of shadow eleventh member of ASEAN has added to the existing strains and divisions within the grouping. The different geostrategic perceptions of continental ASEAN and maritime ASEAN have sharpened: the one looking to Yunnan and land-based road and rail connectivity; the other, and especially Indonesia, to the maritime environment.

Yudhoyono and Foreign Minister Marty made a major policy investment in pressing for the conclusion of the CoC. The Jokowi government's South China Sea policy includes the CoC, but in an almost pro forma fashion. There are no Indonesian actions or initiatives to drive the process forward. The formal diplomatic process is on cruise control, with genuflections to it in the boiler-plate communiqués of foreign ministers' meetings and leaders' summits as well as the routines of the years of sub-ministerial and technical meetings. While ASEAN busywork on a CoC inches along, China's real work in the field undermines the Code's purpose. In ASEAN's South China Sea diplomacy, Jokowi's Indonesia has become a follower, not a leader. Several reasons for this

¹⁷⁵ Indonesia Ministry of Foreign Affairs, "Six Point Principles, ASEAN's Consensus on South China Sea", <<http://www.kemlu.go.id/Pages/News.aspx?IDP-5717&I=en>>.

¹⁷⁶ "RI finds common ASEAN ground in sea dispute", *Jakarta Post*, 23 July 2012.

can be identified. It may reflect a new realism about the issue. Rizal Sukma has said that there is “no solution” as such to the South China Sea problem, even as the CoC diplomacy goes on.¹⁷⁷ Foreign Minister Retno has not previously in her career been personally involved in the negotiations and has no professional stake in the matter or standing with her peers to put herself forward. The president, who echoes the ASEAN goal of a CoC, shows no urgency for or special attention to Indonesia’s role in ASEAN.

Indonesia’s primary national interests in the South China Sea issues as they are encapsulated in Jokowi’s *Visi-Misi* manifesto and the Global Maritime Axis include the integrity of its archipelagic maritime boundaries including its EEZ; sovereign rights and jurisdiction over the exploitation of its marine and sub-seabed resources; freedom of commercial and military navigation through international sea and airspace essential to its trade and commerce; and respect for its middle-power regional role. Two political/strategic facts stand out: Indonesia’s interests cannot be defended from an ASEAN platform and appeals to abide by the UNCLOS have no effect on China’s behaviour. What is relevant for China is power. If China were to achieve maritime control over the South China Sea with administrative jurisdiction and enforcement capabilities, Indonesian interests would be at risk and its middle-power options foreclosed, unless it became a Chinese client.

In a perverse way, it is the great powers’ “rivalry” which Jokowi seeks to reduce that keeps Indonesia’s options open, since it is the countervailing power of the United States that stands between China and its goal of regional power supremacy. It is the U.S. commitment to an UNCLOS-based South China Sea regime, backed by its military presence and the support of Japan, India, Australia, and others that is contributing to a balance of power. In the region, the Philippines in alliance with the United States, and Vietnam and Singapore in limited

¹⁷⁷ As quoted in a presentation at Asia House in London, 2 March 2016 <<http://www.asiahouse.org/maritime-cooperation-top-agenda-says-indonesias-new-uk-ambassador>>.

alignment, participate in the balance. Indonesia, with its hedging strategy, in a sense is a free-rider on the balance. Indonesia's hedging depends on a relative stability in the political and strategic relationship between China and the United States. It is the uncertainties in the relationship that have to be managed by the hedger.

AN INDONESIAN FOREIGN POLICY

It was obvious from the time of the 2014 presidential candidates' nominations to the electoral outcome that there would be differences in foreign policy style, emphases, and changes in policy content that would distinguish Joko Widodo's foreign policy from that of Yudhoyono. The record to date shows that the differences have not been substantive changes altering Indonesia's role as a peaceful, constructive, and cooperative member of the regional international order. Jokowi's policies do not deviate from the general course of Indonesian post-1966 foreign policy. The foundations of policy have not crumbled; in fact they may have been strengthened, as Jokowi's administration shows a more realistic awareness of the limits set by capabilities to an independent and active (*bebas dan aktif*) foreign policy. One could argue that if there were a presidential outlier in post-1966 Indonesian foreign policy it would be Yudhoyono, not Jokowi.

President Yudhoyono's foreign policy team crafted for him an international image as a global champion of democracy, human rights, environmentalism, and other non-traditional international issues. Never mind that the image was marred by domestic realities. The image helped shape the perception of Indonesia as a global middle power, despite its relatively low capabilities. Yudhoyono was an aspirant global statesman who built his legacy in the international arena even as decaying infrastructure, a regulatory jungle, and corruption eroded Indonesia's tangible factors of power and competitiveness. With, perhaps, a mayoral mind-set, Jokowi's priorities are directed toward building Indonesia's real capabilities to act as a middle power in its regional international setting. The key to this is winning the resources from the domestic and international economies to build the domestic platforms to support a *bebas dan aktif* middle-power policy geared to historically-defined

national interests. In this respect, it is perhaps more apropos to compare Jokowi's foreign policy to that of Suharto's first term then Yudhoyono's second term. Jokowi's Global Maritime Axis is a statement of how he envisions Indonesia as a middle power. The weakness in Jokowi's approach is in the conduct of foreign policy. A lack of discipline and coordination in policy statements and responses has at times led to confusion and misunderstanding. It is important that Jakarta speak to the world in a single, authoritative voice with a unity of ideas and action when the president himself is silent.

Tighter and more direct presidential attention to policy making and execution becomes even more desirable as the political and geostrategic space within which Indonesia could deploy its middle power effectively is narrowing as the China-U.S. contest in the South China Sea heats up. This is the current local salient of China's drive to achieve a preeminent, Beijing-centred sphere of interest, thus denying American president Obama's assertion of U.S. "enduring interests" and "enduring presence" in the region.¹⁷⁸ As American and Chinese political and security interests have collided in Southeast Asia, Indonesia and its partner states sought to enlist the United States and China in the processes of ASEAN as a vehicle furthering assumed common interests in regional peace, stability, and economic growth and development. The political conceit of ASEAN centrality has had no more success in changing Chinese policy than the DoC or UNCLOS. Not only can Indonesia not lead ASEAN, there are no functional mechanisms to support its middle-power interests through ASEAN. This has already been recognized by the Jokowi administration but has not been acted upon in a policy-relevant manner.

At least three possible uncertainties limiting hedging as policy of choice will challenge Jokowi's strategy. An aggressive Chinese effort to enforce the nine-dash line leading to more incidents at sea between

¹⁷⁸ "Remarks by President Obama to the Australian Parliament", 17 November 2012 <<http://www.whitehouse.gov/the-press-office/2012/11/17/remarks-president-obama-australia-parliament>>.

China and Indonesia could lead to a rethink of the balance of power. It is likely that naval activity by other countries committed to freedom of the seas, in addition to the United States, would increase. An identity of Indonesia's South China Sea interests with those of Vietnam and the Philippines would be clearly apparent. The rising military tensions in the South China Sea could lead to armed clashes between Chinese and American forces. In an ever-more-complex and danger-filled strategic environment, tolerance for hedging might be stretched to its limit by one or the other great power. There is no uncertainty for Indonesia in China's policy. The policy question for Indonesia is how to defend its *bebas dan aktif* policy against the Chinese juggernaut. The uncertainty is in the assured American commitment and military presence in the region that makes hedging possible. In the absence of treaties, President Obama's guarantees have no binding force on his successor. Strategies other than hedging may be forced on Jokowi; for example contributing through open alignment to an American-backed balance of power or bandwagoning towards China. Neutrality does not seem an option and serious questions could be raised about the significance of an Indonesian Global Maritime Axis under the shadows of the great powers.

POSTSCRIPT

The manuscript for this study of contemporary Indonesian foreign policy was completed in May 2016. Between the date of submission and press scheduling, there has been an opportunity to briefly note important developments that throw into clearer relief the challenges presented to Jokowi's policies in the South China Sea and the premises underlying it. The most significant new factors are the political and strategic impacts of the Permanent Court of Arbitration's award handed down on 12 July 2016, in the South China Sea Arbitration in the case of the Republic of the Philippines v. the People's Republic of China. The PCA ruled in favor of the Philippines on nearly every element of the issues it raised before the court. The court ruled, *inter alia*, that China's nine-dash line had no legal basis; affirmed a state's sovereign rights and jurisdictions in its EEZ; and nullified China's claim to traditional fishing rights in an EEZ, stating that any claim to "historic rights" in another state's EEZ had

been “extinguished” in the legal regime of maritime zones.¹⁷⁹ Although Indonesia was not a party to the case, these decisions, grounded in UNCLOS, confirmed and bolstered Indonesia’s rejection of China’s claims in the Natuna waters.

Despite the political strains caused by the 19 March 2016, confrontation at sea between China and Indonesia (discussed above), Chinese fishing vessels continued to operate illegally in Indonesia’s EEZ. On 27 May, the Indonesian navy arrested a Chinese fishing boat in Natuna waters, and on 17 June, an Indonesian navy corvette, the *Iman Bonjol*, used live ammunition to fire warning shots before boarding and arresting an intruding Chinese vessel. The Chinese reaction was predictably one of outrage. The PRC foreign ministry issued a strong protest over Indonesia’s illegal actions in harassing and using abusive force against Chinese fishing vessels operating normally in traditional Chinese fishing grounds.¹⁸⁰ Unabashedly, China accused Indonesia of violating international law, UNCLOS, and the DoC, as if China abided by them. The Indonesian diplomatic response to the provocations was to reassert its legal position. In an uncharacteristically assertive mode, on 23 June, Jokowi and a party of senior officials, including Luhut, Retno, and Susi, boarded the same *Iman Bonjol* for a cruise of Natuna waters designed, according to Luhut, to send a clear message to Beijing that Indonesia was serious about defending its sovereignty.¹⁸¹

Now that the PCA’s judgement has been made known, the China policy questions for Indonesia have become more daunting. It is not a question of law being on Indonesia’s side. That is clear. Jokowi’s foreign policy problem is how to deal with China’s reaction to the award that

¹⁷⁹ The summary of the 501-page decision can be accessed at <<http://www.pca-cpa.org>>.

¹⁸⁰ Foreign Ministry Spokesperson Hua Chunying Remarks on Indonesian Navy Vessel Harassing and Shooting Chinese Fishing Boats and Fishermen”, 19 June 2016, accessed at <http://www.fmprc.gov.cn/mfa_english/xwfw_665399/s2510_665410/2535_665405/t13734021.shtml>.

¹⁸¹ “Indonesian President Joko Widodo trip to South China Sea islands a message to Beijing, says minister”, *Straits Times*, 23 June 2016.

negated not just China's nine-dash line but numerous Spratlys maritime zone claims and its environmentally damaging artificial-island building as well. As expected, Beijing immediately fiercely denounced the court's decision, declaring that it was "null and void and has no binding force. China neither recognizes it nor accepts it."¹⁸² In the wake of the PCA award, China's words and behaviour in seeking to realize its South China Sea imperium have become even more aggressive, truculent, and bellicose.

In anticipation of the PCA ruling, Jokowi tried to impose a previously missing discipline on his cabinet. Coordinating Minister for Political, Legal, and Security Affairs Luhut was tasked with working with the relevant ministers to formulate a common stance so that they would all be on the same page in responding to the outcome.¹⁸³ With regional tensions rising, Indonesia's first reaction came appropriately from Foreign Minister Retno's Kemlu. In it, Indonesia tried to maintain its historical posture on South China Sea issues by calling on all parties to "exercise self-restraint and to refrain from any activity that could escalate tensions, *particularly any military activity that could pose a threat to peace and stability*, and to respect international law including UNCLOS 1982" (emphasis by author).¹⁸⁴ According to Chinese "experts" on the South China Sea, speaking through the Chinese embassy in Jakarta, the Kemlu statement was not an objective, just, and fair position in conformity with the factual situation, being a departure from Indonesia's impartial stance.¹⁸⁵ The critical tone may have been triggered by an implied criticism of China's

¹⁸² The full text of the foreign ministry statement can be accessed at <http://www.fmprc.gov.cn/mfa_english/zxxx_662805/t937942.shtml>.

¹⁸³ "Govt to formulate official stance on South China Sea dispute", *Jakarta Post*, 13 June 2016.

¹⁸⁴ Indonesia Calls On All Parties To Respect International Law Including UNCLOS 1982", accessed at <<http://www.kemlu.go.id/en/berita/Page/Indonesia-Calls-On-All-Parties-To-Respect-International-Law-Including-UNCLOS-1982.aspx>>.

¹⁸⁵ "Indonesia's statement on South China Sea dissatisfying: Chinese experts", *Jakarta Post*, 14 July 2016.

militarization of its Spratly Islands holdings. Responding to this in a press briefing, the Kemlu spokesperson reaffirmed the statement with reference to Indonesia's role as a proponent of peace and stability in the region and ASEAN's centrality in resolving issues in the South China Sea.¹⁸⁶

The Indonesian public responses to the PCA and the concern for peace and stability and ASEAN's role in the South China Sea disputes fit within the three-decades-long established policy framework. There is no hint that three of its foundations have been undermined or even crumbled. These are the quest for the Code of Conduct (CoC) in the South China Sea; ASEAN's centrality; and Indonesian leadership. As for the first, the CoC, it has already been noted above that the years-long negotiations to translate the DoC into a CoC have been moving towards a dead end. China's reaction, both verbal and in actions, to the PCA decision seems to sound the death knell to a CoC. If, as one senior Chinese diplomat put it, the UNCLOS-based PCA award is simply "waste paper," what is to be said for a CoC, based as it is on abiding by UNCLOS?¹⁸⁷

With respect to claimed ASEAN centrality in resolving South China Sea issues, as Kemlu would have it, the only role ASEAN as a grouping has had is its pursuit of the will-o'-the-wisp CoC. ASEAN has repeatedly proved to be unable to address the real issues at play in the South China Sea. The group has been paralyzed by its rule of consensus and manipulated by China's divide-and-rule tactics. Shortly before the PCA verdict, the ASEAN stalemate was demonstrated again at the 14 June 2016, Special ASEAN-China Foreign Ministers' Meeting in Kunming, celebrating the 25th anniversary of China-ASEAN relations. The ASEAN side, spurred by Vietnam and the Philippines, had drafted a consensus

¹⁸⁶ "Indonesia prioritizes peace and stability in South China Sea", *Jakarta Post*, 15 July 2016.

¹⁸⁷ "Veteran Chinese Diplomat Warns on South China Sea Ruling", *Wall Street Journal*, 6 July 2016. In the official foreign ministry English language publication of the diplomat Dai Bingguo's remarks, the "waste" is omitted; it is only "paper", accessed at <http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1577747.shtml>.

joint communiqué that, without mentioning China, emphasized threats to peace and stability in the South China Sea region. This was unacceptable to China. The ASEAN foreign ministers then agreed to issue it as an ASEAN Media Statement. Under Chinese pressure, Cambodia and Laos broke the consensus on the document and it was officially retracted by the ASEAN Secretariat.¹⁸⁸ The Malaysian foreign ministry had already released the text to the press, only to retract it. The text was also released to the press by the Vietnamese and Philippines' foreign ministries. One of the paragraphs most offensive to China reads: "We emphasized the importance of non-militarization and self-restraint in the conduct of all activities including land reclamation which may raise tensions in the South China Sea."¹⁸⁹ Beijing dismissed the "so-called joint statement" as not being a product of ASEAN, and as such it "can in no way represent the unbiased opinion of ASEAN."¹⁹⁰ Kemlu had its own news release on the ASEAN–China meeting at which, with regard to the situation in the South China Sea, "Indonesia re-emphasized the importance of international law and UNCLOS 1982," with no notice of the "candid" exchanges with China on the South China Sea.¹⁹¹

After the release of the PCA decision, the split in ASEAN was underlined again at the July 24 ASEAN Foreign Ministers' Meeting in Vientiane, chaired by China's tacit South China Sea ally, Laos Foreign

¹⁸⁸ For an analysis of the fiasco, see Carlyle Thayer, "Revealed: The Truth Behind ASEAN's Retracting Kunming Statement", *The Diplomat*, 19 June 2016, accessed at <<http://www.thediplomat.com/2016/06/revealed-the-truth-behind-aseans-retracting-kunming-statement>>.

¹⁸⁹ This is cited from the Vietnamese release of the document, accessed at <<http://www.en.vietnamplus.vn/press-statement-of-asean-meeting-with-china-fm/94857.vnp>>.

¹⁹⁰ "Foreign Ministry Spokesperson Lu Kang Regular Press Conference", 15 June 2016, accessed at <http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/2010_665401/2511_66545/t137256.shtml>.

¹⁹¹ "Peace and Prosperity the Core Business of ASEAN–China Partnership", accessed at <<http://www.kemlu.go.id/en/berita/Page/peace-prosperity-core-business-asean-china-partnership>>.

Minister Saleumxay Kommasith. In the negotiations over the text of the AMM's final communiqué, the maritime states, especially the Philippines, were anxious that reference should be made to the court's decision. This was adamantly opposed by Cambodia's Foreign Minister Prak Sokhonn, backed by his Laotian comrade and with China's Foreign Minister Wang Yi behind the curtain. With the prospect of a deadlock and a repeat of the debacle of the 2012 AMM, new Philippines' foreign minister, Perfecto Yasay, withdrew Manila's demand. Ultimately, the meeting produced three documents satisfactory to China that touched on the South China Sea, none of which mentioned China or the PCA's ruling. The AMM's final "Joint Communiqué," paragraphs 174–79 on the situation in the South China Sea, expressed concern for peace and stability, called for restraint and mutual trust, and emphasized the importance of the implementation of the CoC.¹⁹² In a separate, six-point "joint statement," the ASEAN foreign ministers tried to bolster a public face of unity by reaffirming ASEAN's "common position" in the AMM's "Joint Communiqué."¹⁹³ Finally, the ASEAN ministers met with their Chinese counterpart and issued a joint statement endorsing the full and effective implementation of the Declaration on the Conduct of Parties in the South China Sea; that is the DoC.¹⁹⁴ It should be remembered that, after fourteen years, the implementation of the DoC is a Chinese prerequisite to the negotiation for the CoC. It is not surprising that Foreign Minister Wang left Vientiane satisfied that the PCA decision did not change the ASEAN–China status quo on the South China Sea.

Leadership in ASEAN on the South China Sea has gone by default to the friends of China who have made sure that ASEAN is not central to a

¹⁹² The "Joint Communiqué" can be accessed at <<http://www.asean.org/storage/2016/07/joint-communicue-of-the-49th-asean-AMM-ADOPTED.pdf>>.

¹⁹³ The "Joint Statement" can be accessed at <<http://www.asean.org/storage/2016/07/Joint-Statement-of-the-Foreign-Ministers-of-AMS-on-the-Maintenance-of-Peace-Security-and-Stability-in-the-Region-AGREED.pdf>>.

¹⁹⁴ The ASEAN–China "Joint Statement" can be accessed at <<http://www.asean.org/storage/2016/07/Joint-Statement-on-the-Full-and-Effective-Implementation-of-the-DOC-FINAL.pdf>>.

settlement of the core issues. This was reinforced again by the AMM's ASEAN-China "Joint Statement's" reaffirmation that the resolution of disputes was a matter of the sovereign states directly involved. This underscores again the unreality of any expectation that Indonesia can be a mediator or "honest broker." If Indonesia cannot lead in ASEAN, are there leadership possibilities outside of ASEAN? This could only happen if Indonesia should cease diplomatically isolating its interests from those of the other ASEAN states whose sovereign interests have been put at risk by China's activities. As previously noted, this possibility was hinted at by Luhut in his previously cited November 2015 comments on China's EEZ violations. For Indonesia to make common cause with the other maritime states of Southeast Asia, it would have to be willing to abandon "neutrality" and spark China's wrath. This would also necessarily require adjustments in its hedging tactics towards the United States. On the other hand, Jakarta could seek a deal with China on sharing the resources of the overlap of the nine-dash line and Indonesia's EEZ. This too was hinted at by Luhut in his cited April 2016 "win-win" comment on sharing resources in disputed waters. This would be a tacit endorsement of China's "salami-slicing" tactics. Or, Jakarta can just try to "muddle through."

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