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Introduction

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As the first directly elected Indonesian president, Susilo Bambang Yudhoyono (SBY) served at a crucial juncture in Indonesia's history. Succeeding the three short presidencies of BJ Habibie, Abdurrahman Wahid and Megawati Sukarnoputri, his presidency had a lot to prove. The initial stage of transition to democracy under these preceding administrations was extremely challenging as state institutions underwent changes, while the elite grappled with the demands from the polity for better governance. The fact that the first three post-reform presidents only served a portion of their terms signifies the uncertainties of a post-authoritarian state and the intense politicking among the political elites. Indeed, succeeding these leaders with a two-term presidency is a testament to SBY's popularity and political flair. With a popularity that was remarkably broad across political parties and demographic groups (Liddle and Mujani 2004, p. 121), much was riding on his first victory in 2004 as voter dissatisfaction towards his predecessor Megawati Sukarnoputri transformed into great hope for his presidency.

Among SBY's many achievements, top of the list is the strengthening of democratic institutions. SBY did so by maintaining overall political stability, while ensuring certain important milestones such as setting up

direct elections for local heads (at the province, district and municipal levels) and strengthening the Corruption Eradication Commission (KPK). Overall, he maintained peace and stability, two important conditions for keeping democracy intact and consolidating it. These milestones were particularly important, given that his two-term administration coincided with the country's democratic transition, one of the most crucial periods in Indonesia's history.

Alongside praise, SBY's government has also attracted criticism over his failure to further Indonesia's progress. Specifically, he was responsible for a period of democratic stagnation in Indonesia (see, for example, Tomsa 2010 and Mietzner 2012). As identified by scholars, some important signals of the push against and pull towards democratic institutionalization were the attempts by the elites to roll back the progress of democracy, on the one hand, and civil society's efforts to maintain the process of democratic institutionalization, on the other. Political freedom also started to deteriorate in his second term, with Freedom House downgrading the country's status from "Free" in 2013 to "Partly Free" in 2014, owing mainly to increasing government control over civil organizations. On the economic front, despite clear urgency since the start of his administration to slash fuel subsidies, SBY decided to keep them instead, thus impinging on the government's ability to make crucial investments in infrastructure and education. Inequality thus remained a crippling problem for the economy.

In assessing the mix of successes and shortcomings, observers have concluded that SBY's character has influenced his style and decision-making approach. Specifically, scholars have argued that some of the reasons for his policy failures can be found in his overly cautious nature, his tendency to procrastinate, and his preference for the moderate path (see, for example, Liddle 2005 and Fealy 2015).

Beyond psychology and personal traits, there needs to be consideration over the circumstances surrounding his administration. A comparison between the SBY–Jusuf Kalla (2009–14) and the Sukarno–Hatta (1945–65) administrations shows that while both administrations faced an under-institutionalized democracy, the SBY government faced "a more fragmented and unrooted party system" (Liddle 2005, p. 328). The party system and the proliferation of interests that resulted from that were just some of the many difficult circumstances that SBY as president had to face. It is important to note that democracy means

more checks and balances to restrict executive power, quite unlike the system that Sukarno–Hatta faced. Liddle explains SBY's overcautious nature as the result of "sensible calculation of the limits of SBY-Kalla's political power—which is also telling of the delicate manoeuvring that he needed to manage" (p. 332). Aside from having to handle the elites and the intricate interests, the manner in which SBY was thrust into politics also played a part in the type of president he became. Although he won a popular mandate, he still had to manoeuvre his way among the elites and strike compromises. He had to consider and at times gave in to various interests in order to build a support system.

Apart from the complicated myriad of domestic political elites that SBY had to contend with, there were some unique factors during his reign. Fitriani points out that SBY inherited an Indonesia with a poor international reputation (Fitriani 2015). He came to power after Timor-Leste's separation from Indonesia, the loss of Sipadan and Ligitan to Malaysia, and a phase of security threats such as secessionism and terrorism. Indonesia's status as a new democracy with aspirations to play a more prominent international role was also a new position to manage. In addition, SBY had to manage the foreign policy apparatus and deal with a diversity of mindsets in the bureaucracy born out of the sense of freedom of thinking that democracy allowed (unlike the coerced cohesion that prevailed during the Suharto and Sukarno eras) (Novotny 2010). Clearly, all these factors have influenced the shaping of his administration's policies, in both the domestic and foreign policy arenas.

Since independence in 1945, Indonesia's foreign policy has shifted to suit its changing national interests. When Hatta coined the term *bebas aktif* in 1945, shortly after the country's independence, Indonesia was a new country trying to stand on its own feet and it had negative perceptions of foreign influence, having gone through long periods of occupation and some rebellions in the outer islands. Since then, there have been occasional indications of leanings towards one or the other of the traditional major powers, but overall Indonesia has maintained this suspicion of foreign influence. Although he was one of the founding members of the Non-Aligned Movement in 1961, President Sukarno was inspired by China as a benchmark for Indonesia's development in the 1960s, which partly led to his perceived closeness to communism.

Taking over from Sukarno, President Suharto (1966–98) generally kept Indonesia equidistant between the Soviet Union and the United States. Nevertheless, he demonstrated particularly close attention to and personal affinity with the leaders of Indonesia's immediate neighbours, such as Singapore and Australia. He brought about a shift in orientation towards the West (although he never openly proclaimed this shift) on the pretext of ridding the country of communism (Tan 2007). While initially still somewhat uncertain about its international role, its rapid economic rise at the end of the "New Order" era boosted Indonesia's confidence and influence at the international level. It then showed greater assertiveness — as seen in its more active participation in, among other forums, the Non-Aligned Movement, the Organisation of Islamic Conference, the Organisation of Petroleum Exporting Countries (OPEC), and the Association of Southeast Asian Nations (ASEAN), and by hosting the Jakarta Informal Meetings on Cambodia (Tan 2007, p. 160).

When Suharto stepped down in 1998, the country was in financial and political turmoil, and the presidents who followed (Habibie 1998–99, Abdurrahman Wahid 1999–2001, Megawati Sukarnoputri 2001–4) were faced with multilayered challenges. While the domestic situation that prevailed during each of these presidencies naturally demanded more attention, there were certain noteworthy trends in their respective foreign policies. Habibie's most famous policy was the referendum that resulted in East Timor's independence. Wahid put a lot of effort into engaging with Indonesia's "non-traditional" partners, such as the Middle Eastern countries (particularly Israel, traditionally regarded with disfavour). He was also known for his failed initiative in establishing an India–Indonesia–China axis. Taking over from Wahid, Megawati prioritized domestic affairs, as some of the most pressing issues she faced were communal violence and terrorism. Initially she showed a greater leaning towards the United States, choosing it as her first overseas destination, but later she purchased aircraft from Russia and cut ties with the International Monetary Fund (IMF), giving a more neutral outlook to her foreign affairs. One observer notes that she "helped resuscitate foreign policy" to allow SBY to capitalize on "a more respected Indonesia" (Weatherbee 2005). Overall, however, the three short post-reform presidencies had to prioritize domestic issues, and thus adopted more cautious foreign policies.

Under SBY, the *bebas aktif* principle was generally maintained. However, key to his foreign policy were the other traits that he inherited from previous administrations, as well as the contemporary identity as a democracy that Indonesia established. Two of the more obvious traits that he inherited were inconsistencies and limitations. On inconsistencies, Tan notes that the core values for Indonesia were independence, justice, freedom, equality, and tolerance (2007, p. 163). Yet, there were occasions when the country's foreign policies were in conflict with these values — the *Konfrontasi* (see chap. 8 of this volume by Clark and Pietsch) with Malaysia and the covert support for the United States while condemning the U.S.-led coalition in Iraq are examples of such inconsistencies. On limitations, Laksmana points out that despite Indonesia's size and its rich resources, its influence in global affairs has been limited to its "normative and moral authority" (Laksmana 2011, p. 159), which in essence has forced it to concentrate on domestic issues instead.

During SBY's term of office, this trend of discrepancies and limitations had to fuse with Indonesia's new identity as a democracy. Scholars disagree on the extent to which SBY had a role to play in consolidating Indonesia's democracy. While Liddle and Mujani (2013) concur that democracy was indeed consolidated during SBY's term, Aspinall et al. argue that SBY merely stabilized it (Aspinall, Mietzner and Tomsa 2015). In any case, scholars seem to concur that democracy did influence the way Indonesia presented itself internationally. SBY himself emphasized what he called "democratic instinct" as a strong theme in his 2010 speech at the sixth biennial assembly of the World Movement of Democracy (Yudhoyono 2010). Laksmana argues that this new identity has given a new source of "soft power" to Indonesia, yet, at the same time, it also complicates decision-making in foreign policy, as a variety of stakeholders developed and public opinion started to matter (Laksmana 2011). Anwar writes that SBY believed democracy was Indonesia's "international identity", which has shaped a certain attitude, including a more intense relationship with China, albeit one pursued with some degree of wariness (Anwar 2010). SBY's awareness of the importance of this new character was shown in his early speeches, where he indicated his priorities as being to consolidate the country's democracy and to push further with reform (see Tan 2007, p. 179 and Weatherbee 2005, p. 155). Also, early in his presidency, he spoke

of his intention to create an Indonesia that is an “outward-looking country, eager to shape regional and international order and intent on having our voice heard” (Mitton 2005). Although partly realized by active involvement in various international institutions, these ambitions have also been curbed by various factors. Arguably, one of the most notable characteristics of his administration is his image consciousness, which has also played an important part in complicating the rationality of his foreign policies (Laksamana 2011, p. 160). A combination of these limitations and identity produced a rather unique foreign policy outlook.¹

While critical assessment of SBY’s domestic policies have been undertaken, most profoundly by Aspinal, Mietzner and Tomsa (2015), a detailed analysis of his foreign policy over his ten-year term is also necessary. This volume seeks to fulfil that purpose by focusing on a selection of issues that have been the highlights of SBY’s foreign policy.

Analysts have pointed out that SBY placed great importance on international institutions, territorial integrity and sovereignty, diplomacy, and Indonesia’s right to lead (Tan 2007, pp. 168–77). The topics selected for this volume reflect his emphasis on these priorities. While they may not be exhaustive in covering the range of issues and strategic relationships pursued during his presidency, each topic is explored in depth. Indonesia’s relations with important partners such as the United States and Japan, while not discussed in separate chapters, are clear from the chapters that discuss topics such as investment, ASEAN, terrorism, and Indonesia’s global role under SBY. Building on existing analyses of SBY’s foreign policy, such as that by Fitriani (2015), the volume aims to provide a closer look at how the different factors discussed above shaped the president’s policies in selected areas. It assesses the direction of SBY’s foreign policy, his approach and his management style, by focusing on a range of issues: Indonesia’s involvement in international organizations, its strategic bilateral relations, as well as pivotal issues such as international labour and terrorism.

Principles and Values: An Insider View

Marty Natalegawa, who served as foreign minister during SBY’s second term as president (2009–14), provides a detailed summary of Indonesia’s

foreign policy outlook under SBY. He outlines the principles and values that drove Indonesia's international relations. Highlighting the nuances and constraints in the domestic situation that may not be apparent for those outside the administration, Natalegawa explains how the transformation to a democracy significantly moulded Indonesia's foreign policy interests and priorities. He also explains the role of ASEAN as "the cornerstone of [Indonesia's] foreign policy", and the premium that SBY placed on consensus and diplomacy where sensitive issues such as the South China Sea and other conflicts were concerned.

The Geopolitical and Geostrategic Setting

Following Natalegawa's insider view, the chapter by John Ciorciari discusses the intricacies of SBY's foreign policy approach. Contrasting SBY's foreign policy approach with Suharto's, the chapter argues that while Suharto took a "concentric circles" approach in which ASEAN was part of the inner circle, SBY's "all directions foreign policy" and "a million friends, zero enemies" approach created some challenges. The proponents of SBY's approach insisted that the country focus on omnidirectional engagement to achieve a cooperative system of relations between powers, not being hostage to any rigid strategic pact. In its realization, such an approach faced some challenges. The chapter discusses at length the different aspects of the geostrategic situation in the region — particularly, how Indonesia had to manage its aspirations as the most democratic country in the region, the growing importance it attached to ASEAN, and its more active stance internationally. Wanting to meet Indonesia's strategic interests through a complex web of interdependence, Indonesia had to repair its relations with the United States while also forging closer ties with China, as well as opening various doors of cooperation with major middle powers. The chapter also assesses Indonesia's efforts to bridge two different sets of blocs (democratic versus non-democratic states and the Islamic world versus the West), as well as its efforts to play prominent roles in global institutions — all in order to maintain a certain image and position. It concludes with an important analysis of how successful the country has been in its attempt to pursue a more active foreign policy amid various geopolitical and strategic challenges.

Foreign Economic Policy

Wihardja and Negara's chapter looks at an important focus during SBY's administration: international economic cooperation. The chapter argues that Indonesia's national interests generally guided its regional and global economic cooperation. It gives credit to SBY's administration for improving Indonesia's position on the international stage, primarily through its active leadership in ASEAN and ASEAN Plus, and its notable involvement in setting the Group of Twenty (G20) agenda. The authors argue that despite Indonesia's noteworthy participation in various international economic fora, it lacked a "demonstration effect" in terms of implementation of its international and regional commitments. Indonesia's accession to various international agreements had a potential to bring pressure for undertaking reforms and breaking the murky political economy at home. However, progress towards implementing those behind-the-border commitments was still limited. The chapter also highlights that the implementation of international commitments was not an easy process for Indonesia, given the complex coordination problems and the conflicting interests of different stakeholders. It notes that Indonesia's regional and international commitments failed to translate into important structural reforms at home because of three factors: lack of political commitment, unclear implementation frameworks, and lack of clear ownership.

Still on foreign economic policy, Manggi Habir's chapter analyses some key economic policies during SBY's two-term presidency and how they affected Indonesia's commercial links with its three main trading partners, the United States, Japan, and China. It outlines how Indonesia's links with the three evolved over time. The chapter notes that under SBY, however, Indonesia's commercial links were somewhat tilted towards China. The rapid growth of China since the 1990s led to a surge in bilateral trade between Indonesia and China, overtaking Indonesia's bilateral trade with the United States and with Japan. In addition, China was particularly active in bidding for and winning infrastructure projects in Indonesia, mostly owing to its ability to offer the lowest price. The chapter points out that SBY's policies received favourable economic ratings in his first term. Specifically, his administration received investment grades from Fitch and Moody's, two of the major global credit rating agencies — a result of Indonesia's

ability to weather the 2008 global financial crisis. Yet, in its second term SBY's administration did rather poorly, with SBY hesitating to cut fuel subsidies further as oil prices rose. The subsidy grew, preventing the country from putting the state budget to more productive use. The SBY era was also marked by some missed opportunities in attracting more Japanese and Chinese investment. Habir also discusses the missed opportunities in diversifying the economy away from commodities to manufacturing. As China's labour became more expensive and its manufacturing sector moved up the value chain, Indonesia could have attracted the low-end and labour-intensive manufacturing activities that were moving out of China, but it lost out to Vietnam and Bangladesh.

Some Challenging Issues

Chris Manning and Sukamdi discuss developments in the area of international migration during the SBY presidency and the impact that government policy and international negotiations had on migration flows and the welfare of migrants. Indonesia has benefited considerably from remittances by Indonesian workers abroad, which during the SBY presidency rose to well over US\$5 billion. But there was continued tension during the SBY era over policies to send vulnerable workers in large numbers particularly to Malaysia and the Middle East, as well as to other locations in East Asia — Singapore, Hong Kong, Taiwan, and Korea. The chapter reviews government policies and the regulatory framework. Taking a closer look at Saudi Arabia and Malaysia, by far the two main recipient countries for migrants from Indonesia, the chapter argues that Indonesia's international standing was challenged but not seriously damaged during the SBY years over the issue of international migration. It highlights some key policies, including the moratorium on sending domestic workers abroad, a reaction to the abuse of migrants' rights in Malaysia and the Middle East, which showed that Indonesia's concern for the protection and rights of migrant workers was not just empty rhetoric. Indonesia's subsequent negotiation of memoranda of understanding with some of these countries and the considerable expansion of bilateral programmes with transparent regulations and

implementation machinery in regard to labour standards can also be regarded as important achievements during the SBY presidency. Still, challenges remained in the implementation of higher labour standards and relevant regulations as well as in domestic recruitment, training, and preparation of migrant workers prior to deployment overseas.

Shifting from the labour issue, the next chapter highlights another issue that is largely domestic in nature but has a significant international dimension — terrorism. Although terrorism needs to be tackled domestically, because terrorists have established international networks, support from other countries is important in better countering the threat. Overall, the SBY administration scored better in tackling terrorism than previous administrations did. Solahudin's chapter discusses the SBY government's efforts to confront terrorism and also highlights what his successor government needs to do to eradicate the threat. The chapter credits SBY for the fact that high-casualty attacks declined during his tenure. However, it also points out that the decline of the terrorist threat was also due to many factors other than government policy. Critically, one of these factors was international assistance, which proved crucial in the aftermath of the Bali bombing of 2002 in identifying the perpetrators. Nevertheless, the chapter notes, Indonesia's prison system remained poor and unreliable in breaking the chain of recruitment through prisons. Specifically, the chapter criticizes SBY's weak political leadership for failing to push for terrorist prevention programmes, which Solahudin argues are imperative in the next step to combat terrorism.

Moving to another challenge, the issue of the South China Sea (SCS) disputes has somewhat required Indonesia to adjust to changes in both domestic and international dynamics. Evan A. Laksmana argues in the chapter on the SCS that although the issue is of strategic significance for Indonesia, the country's position on it will remain ambivalent. Looking at both Indonesia's unilateral response to the SCS issue as well as its responses within the framework of multilateral forums, the chapter notes that SBY's approach showed continuity with previous administrations — that is, an approach involving a delicate balance between furthering Indonesia's strategic and economic interests in the SCS and maintaining positive relations with China, a key player in the SCS disputes and an important economic partner for Indonesia.

Two Important Neighbours

The next two chapters look at the development of Indonesia's relations with two important neighbours: Malaysia and Australia. During the SBY presidency, relations with both countries were marked by some problematic incidents. On relations with Malaysia, arguably Indonesia's most important neighbour, historically and culturally, Marshall Clark and Juliet Pietsch investigate a few points of contention in diplomatic relations between the two countries. Drawing on the history of the relationship, the chapter contrasts the tense situation during the period of *Konfrontasi* (Confrontation) under President Sukarno with the drastically improved relationship established during the presidency of Suharto. Nevertheless, as Clark and Pietsch note, border, labour migration, and cultural heritage issues between the two countries remain challenging and difficult to reconcile. Emphasizing Indonesia's sense of primacy and entitlement in the region, the chapter points out that during SBY's presidency the two countries had to manoeuvre around their shared cultural traits and kinship ties, and they generally took a harsher stance towards each other. On Indonesia's relations with Australia, David McRae argues that although bilateral relations remained rocky, whenever ties were strained, the leaders of the two countries always tried to mend them. Outlining the characteristic differences in the four Australian prime ministers whose terms coincided with SBY's presidency, McRae discusses how the various incidents between the two countries in general contributed to a warmer relationship. Yet, he also argues that leader-level commitment mattered in this fragile relationship, and that domestic dynamics often determined how particular issues were settled by the respective leaders.

International Impetus for Conflict Resolution

In their discussion of the Aceh peace process, Gunnar Stange and Antje Missbach also point to the important role that leaders played in managing highly sensitive issues such as Aceh. The chapter highlights the various factors during SBY's presidential tenure that precipitated the resolution of some thirty years of armed conflict in Aceh. In addition to the massive international attention that the Aceh conflict received

through relief projects following the Boxing Day tsunami of 2004, the authors also recognize the importance of independent initiatives by members of SBY's administration, such as the shuttle diplomacy of Vice-President Jusuf Kalla and Minister Farid Husain in maintaining a channel of discussion with the leadership of the Free Aceh Movement (GAM) in Sweden and paving the way for the Helsinki peace process and the signing of a memorandum of understanding in 2005. However, the chapter argues that the subsequent Law on the Governing of Aceh (UUPA) is still problematic owing to the novelty of relations between the central government and the self-governing Aceh government.

Note

1. It is important to note here that although SBY's domestic policies suffered from stagnation, particularly in his second term (2009–14), his foreign policies seemed to be unaffected by this symptom as Indonesia continued to be active in various international forums.

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