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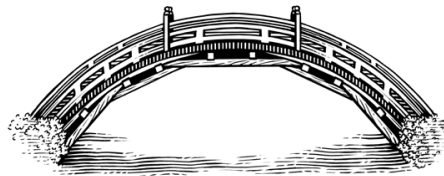
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A Fragile Fulcrum: Indonesia-U.S. Military Relations in the Age of Great-Power Competition

Evan A. Laksmama

Can the United States change Indonesia's strategic alignment in the ongoing great-power competition in the Indo-Pacific? More than a few analysts and policymakers in Washington and Jakarta might think so. For some, the people-to-people, economic, and security ties that have been built over seven decades of engagement should be stronger than Indonesia's ties with China, which only restarted in 1990. But for others, given the scale of Indonesia's economic engagement with China in recent years, the United States might have no choice but to rely on its relationship with the Indonesian military, the Tentara Nasional Indonesia (TNI), to stay close to the island nation.¹ In the areas of military education and training, joint exercises, and arms transfers, Indonesia's relationship with the United States far outstrips the one it has with China.

At the moment, the security element seems stronger in the relationship than the others. For one, the Trump administration ignored the strategic partnership framework and focused instead on counterterrorism, military ties, and maritime security premised on the need to counter China.² For another, the United States can hardly compete with China's growing economic profile in the country. Indonesia-China economic ties soared under President Joko Widodo, whose "developmentalist" outlook favored infrastructure, trade, and foreign investment. By 2019, Chinese imports totaled \$44.9 billion (26.3% of total imports) and non-oil and gas exports to China were Indonesia's largest share of exports (16.7% of total exports).³ In the same year, China became Indonesia's biggest source of FDI, surpassing Japan. According to Indonesian figures, private and state-backed investment

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¹ The Indonesian military has adopted different names since 1945. This essay uses TNI for shorthand purposes, even though the name was only officially reinstated in 1999 following the end of the New Order era (which for the most part used the name Armed Forces of the Republic of Indonesia, or ABRI).

² See Francis Chan, "U.S. to Work with Indonesia on Maritime Security, Counter-terrorism," *Straits Times*, January 23, 2018 ~ <https://www.straitstimes.com/asia/se-asia/us-to-work-with-indonesia-on-maritime-security-counter-terrorism>.

³ See Greta Nabbs-Keller, "The Contending Domestic and International Imperatives of Indonesia's China Challenge," *Australian Journal of Defence and Strategic Studies* 2, no. 2 (2020): 194.

by Chinese firms increased from \$600 million in 2015 to \$4.74 billion in 2019—equivalent to 23.1% of total FDI inflows—and helped fund over two thousand projects across Indonesia.⁴

The United States may thus have little choice but to rely on military ties if it wants to pull Indonesia’s strategic alignment closer toward itself. Despite a brief pause in the late 1990s and early 2000s, 12,000 Indonesian participants went through various U.S. military education and training programs between 1969 and 2018. In the past two decades alone, over 7,300 Indonesian students trained in more than two hundred such programs. In close to that same time frame, Indonesia carried out more than a hundred major military exercises with the United States and imported close to \$1 billion in U.S. arms and equipment.⁵ Meanwhile, the TNI has struggled to send a dozen officers each year to Chinese professional military schools and programs. Over the past two decades, Indonesia only imported around \$363 million of arms and equipment from China and held about half a dozen major exercises with it. In 2015, Jakarta even suspended the Indonesia-China Sharp Knife counterterrorism exercise due to recurrent crises with China in the waters around the Natuna Islands.⁶

Though military-to-military relations are clearly a strong link in the U.S.-Indonesia relationship, this essay argues against over-relying on them. The defense establishment is not as dominant in Indonesia’s strategic policymaking as it once was in the authoritarian New Order period (1966–98).⁷ The notion that bilateral military ties are sufficient to sway Indonesia’s strategic alignment assumes a spillover effect—from defense to broader strategic policy—that no longer holds. Indonesia’s strategic policymaking still remains incoherent, and its defense transformation process has stagnated. There are also significant limitations to military ties when considered in their historical and organizational contexts. Washington has already won the military race; Beijing is unlikely to become Jakarta’s preferred defense partner anytime soon. There is no need then

⁴ Nabbs-Keller, “The Contending Domestic and International Imperatives of Indonesia’s China Challenge,” 194.

⁵ Arms transfer figures and values throughout the essay are from the Stockholm International Peace Research Institute (SIPRI), SIPRI Arms Transfer Database ∞ <https://www.sipri.org/databases/armstransfers>. Education and training figures are from the author’s original dataset based on the published records of the U.S. Defense Security Cooperation Agency, U.S. State Department, and other secondary sources.

⁶ See Frega Wenas Inkiriwang, “‘Garuda Shield’ vs ‘Sharp Knife’: Operationalising Indonesia’s Defence Diplomacy,” *Pacific Review* (2020): 15.

⁷ By strategic policymaking, I mean the process of formulating and executing the integration of multi- and cross-domain policies—from economic to diplomatic and defense—to respond to, shape, and address strategic challenges.

to overemphasize, overestimate, or overleverage military ties when other elements of the strategic partnership still require work and attention.

Further, to seek to bend Indonesia's alignment ignores deeper foundations of the country's foreign policy. Indonesia does not believe one great power is inherently better, whether economically, militarily, or morally. After all, throughout history, every great power has undermined Indonesia's domestic order or acted contrary to its strategic interests. As such, Indonesia's foreign policy is fixed on maintaining legitimacy at home, seeking strategic autonomy, and denying any great power hegemony over the region.⁸ The United States should therefore keep the focus on deepening the existing strategic partnership and sustaining existing military ties without pushing them too much in an effort to pry Indonesia away from China. The following sections elaborate on these arguments by examining the evolution of bilateral military relations as well as their promises and pitfalls in reorienting Indonesia's strategic alignment.

Indonesia-U.S. Military Relations: Brief Historical Context

Going back even as far as the late 1940s, Indonesia-U.S. defense ties have been historically based less on technological cooperation or joint warfighting experience and more on shared professional military education and training. The United States invested in training and educating the best and brightest from the Indonesian military as a bulwark against Communism, although most of the military's actual leaders since the 1970s were trained domestically. Furthermore, Indonesian military leaders at the time were convinced of the need to play the United States and the Soviet Union against one another to avoid becoming overly dependent on either one, which would have empowered the army's domestic enemies, including the Indonesian Communist Party.⁹

Military ties significantly jumped under the New Order, which saw President Suharto's government crush Communist forces following an alleged attempted coup in September 1965. For much of Suharto's rule until his regime collapsed in 1998, the military was one of the most powerful institutions in the country, permeating all sectors of society and strategic policymaking. The United States' investment in educating and training

⁸ Evan A. Laksmana, "Indonesia Unprepared as Great Powers Clash in Indo-Pacific," *Foreign Policy*, August 26, 2021 ~ <https://foreignpolicy.com/2021/08/26/indonesia-china-us-geopolitics>.

⁹ For details of this history, see Rudolf Mrázek, *The United States and the Indonesian Military, 1945–1965: A Study of an Intervention* (Prague: Oriental Institute in Academia, 1978).

army officers paid handsomely during this period. While professing to have an “independent and active” foreign policy, Indonesia was quietly aligned—some would say in a “de facto alliance”—with the United States for much of the New Order era.¹⁰ This trend persisted despite the gradual decline in Indonesian students enrolled in various professional U.S. military schools and programs by the late 1970s.¹¹

After 1975 Indonesia’s invasion and occupation of East Timor started to draw public scrutiny to the military’s operational conduct and human rights record. The United States eventually suspended military education and training programs and even imposed an arms embargo on Indonesia following military violence in East Timor and Papua in the 1990s and early 2000s. For better or for worse, human rights issues have continued to shape U.S.-Indonesia military relations until today.¹² The embargo and suspension left a searing reminder in the minds of Indonesian policymakers of the danger of over-relying on a single country for security provisions, propelling them to diversify Indonesia’s security relations, particularly in arms supply, following the democratic transition in 1998. This policy essentially traded off strategic autonomy with interoperability and capability development costs (e.g., training, maintenance, and repair).

Following September 11, the United States sought to restore its relationship with the TNI in the hope of blocking al Qaeda’s inroads into Southeast Asia, and military-to-military relations were gradually restored. Even if fully reinstating ties with the Indonesian Army Special Forces (Kopassus) was perhaps more challenging, Washington’s growing competition with Beijing helped push the effort along. Indeed, since the late stage of the Trump administration and now under the Biden administration, security-centric activities seem to dominate bilateral engagement. There was a flurry of high-level engagement following the visit of Indonesian minister of defense Prabowo Subianto to Washington in October 2020 after he was

¹⁰ Juwono Sudarsono, “Indonesia and the United States, 1966–75: An Inquiry into a De Facto Alliance Relationship” (PhD diss., London School of Economics and Political Science, 1979).

¹¹ This decline is likely because of the growing confidence of Indonesian military leaders in their own military education programs by then. For details, see Evan A. Laksmana, Iis Gindarsah, and Curie Maharani, *75 tahun TNI: Evolusi ekonomi pertahanan, operasi, dan organisasi militer Indonesia, 1945–2020* [The 75-Year Evolution of the Indonesian Armed Forces: Defense Economics, Military Operations, and Personnel Infrastructure] (Jakarta: Centre for Strategic and International Studies, 2020), chap. 6.

¹² For details on the debate on the centrality of human rights considerations in shaping U.S. military engagement with Indonesia, see Anja Jetschke, *Human Rights and State Security: Indonesia and the Philippines* (Philadelphia: University of Pennsylvania Press, 2011); and Charles Comer, “Leahy in Indonesia: Damned If You Do (and Even If You Don’t),” *Asian Affairs: An American Review* 37, no. 2 (2010): 53–70.

initially barred from entering the country due to alleged past human rights violations. This paved the way for subsequent high-level U.S. officials to visit Jakarta, including the acting secretary of defense in December 2020. High-level security engagements have continued since then, culminating in the latest and largest iteration of the Garuda Shield joint army exercise in August 2021. The specter of the Countering America's Adversaries Through Sanctions Act (CAATSA), which had threatened to impose sanctions over Indonesia's planned acquisitions of Russian arms, seems to be in the rearview mirror. Also in August, Indonesian foreign minister Retno Marsudi met U.S. secretary of state Antony Blinken in Washington to launch a "strategic dialogue," resuscitating the 2015 U.S.-Indonesia strategic partnership. This revival is a welcome development, given that this framework represents the most comprehensive bilateral engagement and covers a wide range of issues, including defense, maritime security, economic relations, and people-to-people ties.

Overall, bilateral military relations have experienced ups and downs over the past seven decades, most of which correspond to political and strategic challenges to the relationship, from Communism to human rights to great-power politics. Put differently, the needs and interests of the broader bilateral ties have driven military-to-military engagement. The centrality of military ties, however, carries with it an inherent paradox: they may be necessary, given the military's supposed central domestic role, but they are also susceptible to the ebbs and flows of political and strategic interests between the two countries and are therefore fragile. Because they serve a broader set of bilateral goals and interests, their quality, scope, and durability will always be subject to wider pressures. This has led then to inconsistent and incoherent military-to-military engagements. Military ties alone are not a consistent strategic ballast for a holistic partnership.

Indonesia-U.S. Military Relations: Organizational Context

Viewed through the organizational context of the TNI, military engagement carries policy promises and pitfalls. On the one hand, maintaining a wide variety of military education and training programs, joint exercises, and arms transfers gives Washington and Jakarta some solid communication channels. The United States has also facilitated the development and improvement of some of the TNI's operational and tactical capabilities (e.g., counterinsurgency and air assault). Theoretically this allows the TNI to maintain some degree of operational readiness it

could not have obtained otherwise. Participating in U.S. education and training programs additionally gives Indonesian officers a glimpse of the latest developments in military affairs, defense policy, and equipment.

On the other hand, the organizational benefits of U.S. military education and training programs and arms transfers are doubtful. For one, the sheer diversity of Indonesia's foreign arms suppliers—about 33 over the past two decades—means that no single country, including the United States, dominates the country's military technology (although the TNI remains heavily dependent on arms, equipment, and systems of Western origin). For another, the organizational effects of professional U.S. military education and training have been diluted by the TNI's under-institutionalized and haphazard personnel management policies. Over time, the lack of merit-based and transparent promotion policies has sustained patronage in determining who rises through the ranks. One of the consequences has been that U.S.-trained officers by and large do not become the TNI's top leaders. By one account, out of the 677 TNI generals who graduated from the academy between 1950 and 1990, less than 16% were trained in one of the U.S. programs.¹³

Furthermore, there are mismatches between the TNI's daily operational tasks and challenges (such as illegal, unreported, and unregulated fishing and internal security) and what U.S. education, training, and arms can support. The TNI has developed a range of its own education and training institutions for such tasks, and the United States, or any other country for that matter, is unlikely to offer programs that could supersede these domestic schools. Additionally, backing Subianto's procurement-centric defense policy neglects other defense transformation challenges such as personnel management.

But most importantly, military policy rarely spills over any longer into wider strategic policymaking since the democratic transition in 1998. The foreign ministry has since demilitarized the diplomatic system.¹⁴ Influential civilian business groups and senior political party officials now dominate the economic sector, while military-controlled businesses have been either sold off or taken over by the government since the early 2010s. National strategic policy remains incoherent—Indonesia does not have an equivalent

¹³ Evan A. Laksmana, "Are Military Assistance Programs Important for U.S.-Indonesia Ties?" *East Asia Forum*, April 18, 2018 ∞ <https://www.eastasiaforum.org/2018/04/18/are-military-assistance-programs-important-for-us-indonesia-ties>.

¹⁴ See Greta Nabbs-Keller, "Reforming Indonesia's Foreign Ministry: Ideas, Organization and Leadership," *Contemporary Southeast Asia* 35, no. 1 (2013): 56–82.

to a National Security Council under the president to integrate various strategic policies, and the government's coordinating ministry system remains disjointed and underdeveloped. The TNI, therefore, while still an important and influential domestic institution, is no longer the primary centerpiece of the government's domestic legitimacy. It is no longer realistic then to expect that closer military-to-military ties would reshape Indonesia's strategic policymaking or reorient its strategic alignment.

Conclusion and Recommendations

This brief survey of Indonesia-U.S. military relations offers several broader conclusions about Indonesia's foreign policy and strategic alignment in the age of great-power competition. First, the United States and other major powers should resist an attempt to leverage military ties into reorienting Indonesia's strategic alignment. Indonesia remains equally distrustful of all great powers—the United States and China alike, if for different reasons and historical concerns. The idea of leveraging military ties to shape Indonesia's broader strategic policymaking is also based on assumptions of a positive spillover into other policy realms that is no longer relevant today, given the country's chaotic policymaking system and the declining role of the military within it.

Perhaps more importantly, the diversity of key domestic groups deemed crucial for the Indonesian president's legitimacy—including powerful oligarchs, religious groups, and the security sector—suggests that Indonesia's strategic policy is likely to stay incoherent, haphazard, and subject to domestic contestation. The growth in Indonesia-China economic ties over the past decade has helped sustain, if not entrench, powerful business groups and party oligarchs that are considerably more salient for the president's domestic legitimacy on a daily basis than the TNI as an institution. Recently, China has deepened its engagement with various Indonesian business groups and state-owned enterprises over the provision of pandemic-related health goods such as vaccines, masks, and other personal protective equipment. Meanwhile, the United States is lagging in providing pandemic support, even though it has expanded ties with the TNI. We might thus be witnessing the amplification of a “division of labor” between the United States and China, where Jakarta is wedded to the latter for prosperity (backed by political-economic interest groups) and to the former for security (backed by the TNI). But as different domestic groups—of which the TNI is only but one—continue to exercise varying

degrees of influence over strategic policymaking, Indonesia’s strategic alignment is likely to remain incoherent.

Additionally, given the TNI’s problematic human rights record—an issue subject to periodic reappearance between the United States and Indonesia—an over-reliance on military ties is unsustainable. Indonesian analysts have been concerned that under Biden’s Democratic administration, human rights will feature more prominently in bilateral engagement.¹⁵ For the time being, however, China-driven regional concerns, pandemic management, and defense ties seem to be higher on the agenda. The revival of the strategic partnership framework could mitigate some of the potential drawbacks if and when human rights concerns arise. There is, moreover, no need to be especially concerned about Indonesia-China defense ties as there is no serious competition there. The United States should therefore keep focusing on its working-level engagement with the TNI without overleveraging the relationship.

Finally, both Jakarta and Washington should consider broader nonmilitary forms of security engagement (e.g., maritime law enforcement or civilian defense community empowerment) to complement the growth in the military relationship. The Indonesian defense ministry’s narrow procurement-centric approach should be counterbalanced by boosting the long-term strategic counterparts of the TNI in the civilian defense community. The United States had a history of doing so in the early days of Indonesia’s post-authoritarian military reform.¹⁶ Washington could also support Indonesia’s larger defense transformation by increasing support for professionalizing strategic planning and personnel management systems as well as for improving the TNI’s operational proficiency in non-kinetic “military operations other than war” such as humanitarian assistance and disaster relief. Bilateral or regional mechanisms to support industrial collaboration with Indonesia’s underdeveloped domestic defense companies would also benefit the two states’ relationship. The overall goal of these engagements would be to gradually improve the TNI’s operational proficiency and Indonesia’s strategic autonomy.

Taken together, the Biden administration should (1) consider the different domestic constituencies crucial for any Indonesian president in

¹⁵ See “Joe Biden Win May Shift Relations towards Human Rights, Analysts Say,” *Tempo*, November 9, 2020 ∞ <https://en.tempo.co/read/1403597/joe-biden-win-may-shift-relations-towards-human-rights-analysts-say>.

¹⁶ See Fabio Scarpello, “Stifled Development: The SSR—Civil Society Organizations Community in Post-Authoritarian Indonesia,” in *Security Sector Reform in Southeast Asia*, ed. Felix Heiduk (London: Palgrave Macmillan, 2014), 131–58.

the post-authoritarian era and not try to pry the country away from China, (2) deepen the strategic partnership framework rather than overleverage military ties, and (3) formulate both military and nonmilitary options to boost Indonesia's long-term strategic autonomy. These goals correspond to the key features of Indonesia's foreign policy ambitions: to maintain strategic autonomy and avoid any power assuming regional hegemony. Ultimately, a productive engagement strategy for Indonesia in the age of great-power competition is to boost Jakarta's ability to chart its own path, rather than following one laid out by Washington. ◆