

## Indonesia as a 'Global Swing State': What Does it Mean for U.S.-Indonesia Relations?

*An Open Forum with*

**Dr. Daniel Kliman and Mr. Richard Fontaine**



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### **Introduction**

Indonesia's membership in the G20, its stable and growing economy, its democratic government, and its role in regional and international diplomacy have made it a rising power in the international order. Indonesia, along with other emerging democratic powers Brazil, India, and Turkey, brings capability and legitimacy to any international effort, making it an important player for today's global powers including the United States, Europe, China, and Japan. Like a handful of other rising democracies, Indonesia is a "global swing state."

On July 24, 2012, USINDO hosted an Open Forum with Dr. Daniel Kliman, Transatlantic Fellow on Asia, at the German Marshall Fund, and Mr. Richard Fontaine, President of the Center for a New American Security, who together led a major research project on global swing states. They discussed how Indonesia has emerged alongside Brazil, India, and Turkey as a global swing state, what it means for the relationship between the United States and

Indonesia, and how Indonesia and the United States can further collaborate to enhance their bilateral relations as well as preserve the global order.

This brief is USINDO's summary of their talk.

## **Global Swing States in Global Order**

The term "swing state" originates from American domestic politics. It refers to the handful of states that can tip the outcome of presidential elections one way or the other. Due to their mixed orientation, these states may swing to either the Republican side or the Democratic side. They are the states that matter most. Applying this term to a larger scale within the international system, there are certain states that could swing in one direction or another and significantly affect the global order.

Four states that relatively fit this description are Brazil, India, Indonesia, and Turkey. These states, while separated by location and historical differences, share a few attributes that qualify them as global swing states. They all possess large and growing economies. They all have strategic locations in their respective regions. They all boast democratic governments. And more importantly, they all have neither embraced certain elements of the global order nor rejected and offered an alternative set of global orders. There is therefore a degree of ambivalence about certain elements of the global order as it has been traditionally defined by the United States and its Western allies.

There is a lot of new recognition attributed to the status of these four powers in multilateral forums such as in the G20. These four states collectively play a decisive role on issues on which American interests are intimately bound such as climate change, maritime security, financial measures, trade, and post-authoritarian transition in the modern world. These states are now also defining their objectives in the regional and sometimes global terms. If these states swing in the direction of being greater upholders of the global order, it will then render greater resiliency towards the system that has produced unprecedented prosperity and stability over sixty years. If they swing away from it, it will be a totally different story.

'Global order' in this context is understood as a set of principles in five different categories that the United States and its Western allies put into place following World War II. The first principle is the 'non-proliferation order' which was constructed to prevent the spread of nuclear weapons and nuclear testing. The second is the 'trade and financial order' that is based on commercial reciprocity, monetary stability, and non-discrimination. The third is 'maritime order' that is premised on territorial sovereignty and freedom of navigation. The fourth is 'human rights order' that is rooted in respect for fundamental liberties and a democratic process. And lastly, there is a nascent 'climate order' that can be perceived as one of the globally most pressing issues right now.

Each of these principles is then also reflected in a web of norms, institutions, and rules that help define these elements of the global order. For example, the non-proliferation order is rooted in a non-proliferation treaty, the International Atomic Energy Agency, the Wassenaar

Arrangement, and the Nuclear Suppliers Group (NSG). The trade order, which is heavily formalized in the World Trade Organization, is based on the General Agreement on Tariffs and Trade (GATT). The maritime order is embodied in the Law of the Sea which is viewed as customary international law. The human rights order which encompasses a range of widely recognized international norms is based on documents of the UN Convention on Civil and Political Rights and the Universal Declaration on Human Rights. The climate order is then reflected in the Kyoto Protocol and subsequent efforts made during the Copenhagen Talks.

Because of the political and economic stability that this order has engendered, the world has seen a dramatic rise in trade and investment, the longest period of peace among the world's great powers in modern times, and an upwelling of democracy in places where authoritarianism had previously prevailed. It is therefore in the interest of most countries that the order that was put in place after World War II continues up to today to yield a profound success, not just for the United States and its allies, but for the countries of Asia as well.

But around the year 2000, some of these pillars started to experience tension. On the nuclear non-proliferation side, for example, there are some challenges that Iran and North Korea pose. On the trade talks, the Doha Rounds stalled and could not live up to expectations. The maritime order has come under pressure from Beijing's pursuit of claims in the South China Sea and some concerns on piracy. On the human rights order, the number of elected democracies in the world dropped in 2010 to their lowest level since 1995, despite the Arab Spring. And the environmental order remains largely aspirational.

As this global order comes under increasing strain, it is time for the United States to look toward traditional and non-traditional partners, especially the four swing states that will serve as tremendous allies to build the road for the future and stability for the global order.

### **Comparing These Countries: Indonesia as a Global Swing State**

Reflecting on the foretold characteristics of a global swing state, Indonesia has embraced the existing international system in multiple dimensions. As a model nuclear citizen, it has signed the Nuclear Non-Proliferation Treaty's Additional Protocol as well as a separate bilateral accord with the United States on nuclear safeguards and security. Indonesia has also started to promote good governance abroad. A comprehensive comparison on key principles that constitute a global swing state in the global order, however, is needed to succinctly measure how well Indonesia fares relative to other swing states.

On the trade and financial order, Brazil is relatively difficult, at least from an American perspective. It has avoided participation in formal trade agreements with the United States and Europe and tended to pursue South-South trade cooperation with developing economies, notably India and South Africa. It is also one of the parties in the WTO that has made it difficult to take the trade round to a successful conclusion. India's trade has expanded greatly over the last twenty years. And although India is less of an obstacle to the completion of the Doha Round than it used to be, India has also been making some setbacks on the domestic liberalization of their markets. Turkey is, in some ways, a poster child for the trade and finance regime. It has been active and succeeded in growing its economy through a very liberal trade

and investment regime. In that sense, it is different from the first two. Indonesia then falls somewhere in the middle. It has been more supportive during the Doha Rounds. But domestically, there have also been resurgent amounts of protectionism on trade and foreign investment.

On the maritime order, Brazil is a signatory for the UN Convention on the Law of the Sea (UNCLOS). It is roughly good on maritime issues, although it has had some creative interpretations as far as energy deposits off its coast are concerned. India is the most forward leaning in many ways, where it has contributed its maritime assets to the defense of the maritime commons to participate in anti-piracy operations off the coast of Africa and other transnational maritime capacities in the Indian Ocean. Due to some inevitable challenges with Greece, Turkey is not a member of UNCLOS. It feels that UNCLOS would only push its territory back to its own coast. It has also been involved in increasingly intense disputes in the Eastern Mediterranean that involves energy deposits. Compared to the other three, Indonesia is a signatory to UNCLOS and has managed a lot of complex maritime issues through that framework. The increasing challenge for Indonesia is how strong a voice it wants to exert on maritime issues such as in the issue with the South China Sea.

On the non-proliferation order, Brazil is challenging in the sense that it rejects the Non-proliferation Treaty's (NPT) additional protocol and argues that the United States and Russia should continue to disarm before other non-nuclear weapon states accept diversely unfettered inspections by international observers. At the same time, it tried to broker deals involving Iran and also Turkey to take Iran's uranium and enrich it elsewhere. As this is not coordinated with any other international efforts, it may cause a lot of consternation. India is relatively notorious for its nuclear posture as it remains outside the NPT and develops nuclear weapons. Through the engagement with the United States in recent years, it has come closer to many existing nuclear regimes such as the NSG. On the recent debacle regarding Iran's nuclear threat, however, India has been hesitant to join other countries to put international pressures on Iran. Turkey also demonstrates the same problem where it has, along with Brazil, tried to broker that nuclear deal in the Middle East. Indonesia, in this realm, comes out very well in terms of following international rules of the road. It is a model nuclear power citizen when it comes to signing the additional protocol, as well as having a bilateral accord with the United States.

On the democracy and human rights order, under the current President, Dilma Rousseff, Brazil has shifted its track record. Contrary to its record under the past President, Lula da Silva, it has been less willing to indulge the regimes of unsavory autocracies such as Fidel Castro's Cuba and Hugo Chavez's Venezuela. It did not, however, support the UN's Security Council Resolution authorizing intervention in Libya and Syria for its current domestic human rights abuses. India has a mixed track record as well. It abstains from voting in the UN on Libya but on occasion still shows preference for non-intervention. On the other hand, it also often speaks of its democratic values. New Delhi is also one of the founding members of the Community of Democracies and is a key partner and founder of the UN Democracy Fund, one of the largest funders of that as well. Turkey's demonstrated little consistency. It initially opposed sanctions against Syria but then pivoted to supporting the ouster of the Assad regime when the abuses became more and more apparent. Drawing comparison to the other three states, Indonesia is an outlier in a positive sense. Having consolidated a vibrant democracy at home, Indonesia

has also started to promote good governance abroad in a highly assertive way through the Bali Democracy Forum where it shares pivotal lessons of democracy with democracies and non-democracies. At the same time, its NGOs are very active internally and externally.

On the climate order, in similar light with its commitment on democracy and human rights, Indonesia has also been a positive outlier. Even though Brazil and India have respectively emerged as leaders for pressing carbon reductions at home and internationally, they however also affiliate with other emerging powers to call on developed nations to fund carbon emission reductions. Indonesia, on the other hand, has unilaterally pledged to cut its own carbon emissions. It is not aligned with any emerging powers to pin the responsibility of reducing carbon emission solely on developed nations. In that sense, it is very different from the other swing states.

Drawing a silver lining amidst this comparison, it becomes apparent that Brazil is the most complacent swing state, in part because it has no serious security concerns: South America is a great region to be in and there are no other powerful states in its immediate periphery. Brazil therefore has a bit of 'luxury' to advocate for peace in an international order that they may not particularly care for. Indian elites are split between the older generation who are currently less sympathetic to the current international order, and the younger generation who are much more positive about the current order and want to adapt and renew it rather than dismiss it and go beyond. Turkey is the least predictable swing state in the sense that it swings the most and oscillates variably in a way that other swing states do not.

This leaves Indonesia as a consequential swing state that is the most forward learning on many issues and unlikely to swing away from the current order. But the challenge for Indonesia remains on how active and impactful its swing translates into the global order. Indonesia is still perceived to be rather passive in exerting its voice and that it may not swing far enough to be an active upholder and supporter on many of these issues.

### **The United States Relations with Indonesia Relative to the Other Global Swing States**

Realizing the magnitude of importance Indonesia carries as a global swing state, it is thus interesting to see how the relations between the United States and Indonesia look compared with the other three states.

Compared to Brazil, the relationship between the United States and Indonesia is relatively deeper. Before President Obama's administration, even though it is a country of 200 plus million people and geographically closer the United States, Brazil received very little high level attention in Washington, as if it were the forgotten rising power. Under President Obama's administration, there has been, however, an expansion of American engagement with Brazil through various high level dialogues focusing on trade, finance, energy, science, and education. But the relationship remains very thin overall.

The United States engagement with India is relatively the deepest of these relationships. In each successive American administration, there has been a concerted effort to boost American relations with India. President Clinton, in his last year in office, visited New Delhi for a path

breaking visit. Under President George W. Bush, American ties with India were transformed by the Civil Nuclear Agreement that removed a constant obstacle and irritant in the relationship. And then under President Obama, the relationship has continued to deepen in commercial ties, security, and science and technology as well. India also received special treatment when the United States exclusively voiced its support for an Indian permanent membership in the UN Security Council, which it had not done for any other states. In short, the United States has demonstrated its interest and commitment for a long term investment with India, the largest of these swing states.

Turkey is another interesting case. Turkey is a long time American ally, but the relationship looks very different today than it did ten years ago. Turkey is fast becoming an economic dynamo and a regional power in the Middle East. The United States has always tried to engage Turkey in a much wider front. However, under President Obama, initial engagement with Turkey had a very high expectation that Turkey would be a model partner. That expectation ended after the confrontation between Turkey and Israel over the Gaza blockade and Turkey's Iranian nuclear diplomacy. But in the last two years, Turkey and the United States have managed to mend their relationship, which is evidenced by their cooperation on the Middle East issues especially in Syria and a growing economic cooperation as well.

In comparison, the United States engagement with Indonesia has not been as dramatic as India. On the other hand, it has been much steadier than American ties with Turkey, which have oscillated over the last four years. It is also much deeper than the relationship between the United States and Brazil.

The initial push to build a greater relationship between the United States and Indonesia first began under President Bush in 2003 which started the warming of ties. It is however under President Obama that the United States and Indonesia embarked on a much more intense and vibrant journey to strengthen their cooperation. This is evident from Secretary Hillary Clinton's first visit to Asia in 2009 that included a stop to Jakarta. Roughly a year after Secretary Clinton's visit, President Obama visited Indonesia in November 2010 where the two countries unveiled the Comprehensive Partnership. This agreement marks a new form of partnership that seeks to enhance cooperation and mutual understanding in various fields of security, trade and investment, education, democracy, and climate change.

### **Optimizing the Swing: the United States and Indonesia's Collaboration to Enhance Bilateral Relations and Preserve the Global Order**

The United States - Indonesia Comprehensive Partnership has made great strides. But it is undeniably still a work in progress. The potential is immense. Indonesia's economy and population are by far the largest in Southeast Asia. Indonesia is also the region's natural center of gravity strategically and politically. However, regardless of the immense promises and potential that the partnership demonstrates, the economic side remains less developed compared to other parts of the bilateral relationship.

To further enhance bilateral relations and help preserve the global order, the United States can play a crucial role in encouraging and boosting trade and investment intensity between the two

countries. But in the end, it essentially depends on Indonesia's commitment and discretion to open up its internal markets more. It is also important to emphasize that the market openness is not just a domestic issue for Indonesia. As a key regional power in Southeast Asia, Indonesia's gestures will significantly set an example for the rest of Southeast Asia. In that sense, if Indonesia's economic relationship with the United States blossoms into greater collaboration, it certainly sends a signal to the rest of the region that an open market is a more favorable option to accommodate a more beneficial trade and investment relationship.

Another key challenge for optimizing this Comprehensive Partnership is capacity. The United States certainly has capacity issues as is most recently evident by its fiscal austerity problems. But Indonesia also has capacity issues. A significant amount of these issues can be attributed to the lack of capacity in human resources. The Comprehensive Partnership has started to focus on the question of "how do you educate talent and bring it up to global standards?" USINDO has reasonably contributed to this concern of human development by helping to catalyze educational partnership. There have also been other initiatives in place where the United States and Indonesian governments collaborate to send Indonesian professionals to degree programs in the United States.

Another initiative that can tremendously help Indonesia's capacity in the medium to long term is a large scale public-private partnership that brings together governments, American public policy schools, Indonesian foundations and corporations, and most importantly, parliamentary staffs. Such partnership will essentially create a fund to send Indonesian young officials, whether from the Ministry of Foreign Affairs, Commerce, or other agencies to the United States for two year Masters Programs and other exchange programs. This has already happened in some instances, such as the partnership between the Rajawali Foundation and the Harvard Kennedy School, and a fellowship from the German Marshall Fund that awards scholars and professionals to study and gather experiences for one year with the United States Congress. But over the long term, the continuing investment on such partnership is required as a crucial toolkit to help Indonesia realize its global ambitions, enhance bilateral ties with the United States, and perform at the global level.

Democracy and human rights then serve as a high point where Indonesia may assume a leading role on the global stage. In this regard, Indonesia is the most forward leaning of all these swing states. It can make a singular contribution to democracy and human rights globally if it worked with and advised the other three swing states as they begin to consider their own human rights and tools to achieve democracy. Indonesia has the unique experience and lessons learned to share with each of these three as they figure out how to promote good governance in other parts of the world. This strength is further supported by Indonesian civil societies as one of the most active in terms of promoting human rights and democracy beyond the domestic sphere. This also creates another key opportunity where Indonesia and the United States can further explore areas of collaboration that involve their civil societies respectively.

In the end, it is important to reiterate that Indonesia is not simply a key regional power but also a global swing state. It has a very influential voice in Southeast Asia and increasingly in East Asia. If it succeeds to fully harness its partnership and collaboration with the United States,

while also trading on its most endearing quality of democracy and human rights, it will go a long way not only in securing the region but also potentially helping solve the global challenges as well.

## Questions and Answers

***Q: As I am trying to understand the introduction of the term ‘global swing states’ in this context, I see that some of these countries such as Brazil and Indonesia are pursuing the third way such as economic populism and not actually swinging between the existing orders. So my question is, why are these states considered as global swing states instead of states that are just trying to define and introduce the new order?***

Mr. Fontaine – The idea is that ‘swing states’ are a group of states that tip the outcomes of global order. They could swing toward the international order and put resources into it. Certainly, they could also swing toward the alternatives. Or they could just not swing at all and only choose issues that they have interests in. But the point is, depending on how they swing, they will significantly affect the global order. That is how we categorize Brazil, India, Indonesia, and Turkey into this group of global swing states.

***Q: You mentioned earlier that trade and maritime are two important dimensions that constitute a global swing state but these are also significantly weak in Indonesia? So, why is Indonesia still considered a global swing state?***

Dr. Kliman – If you look at all these dimensions, Indonesia is in a certain position that it is not swinging away but it may not always be swinging towards. For example, there was a growing concern in the United States about economic nationalism and protectionism in Indonesia. But the important thing is how Indonesia currently demonstrates commitment towards free trade and more open market. So in that sense, Indonesia is definitely a swing state in that it tends to support the pieces of international order that we have described.

***Q: Of all dimensions that you have brought up in your presentation, I think the one link that really connects these four states is that they all uphold democracy and human rights. So if the intent, to some degree, is to engage and support democratic states, is there a set of goals from the German Marshall Fund or the United States for all these states to develop together in terms of democracy and human rights? Will there be a push to bring these states together and join efforts to accomplish something?***

Mr. Fontaine – I personally tend to see each of these four states being able to do things on their own rather than acting as a bloc. I think the Bali Democracy Forum is a very remarkable contribution from Indonesia to unite all countries globally to discuss democracy. And as you also know, the United States is pretty much in the business of promoting democracy. But I do not see a big bloc emerging where all states get together in a coordinated fashion at the end. It is more like letting a thousand of flowers bloom, so to speak.



***Q: You mentioned that Indonesia is doing great in human rights and democracy. But from my own observation, there are many cases of human rights violations in Indonesia with mass killing in Papua being the most recent example. So emphasizing this irony domestically, what type of indicators do you use to evaluate Indonesia's performance in human rights and democracy?***

Mr. Fontaine – In our research, we mostly look at the foreign policy of these four states. So we have not looked into their internal human rights situations, including Indonesia's domestic records. So in this context, we only look at the inclination and disinclination from Indonesia to promote democracy abroad. That said, we base the evaluation on Indonesia's desire, commitment, and activism to promote human rights and democracy abroad.

Dr. Kliman – By encouraging all these four states to promote democracy and human rights broad, we believe that it also goes back into the domestic efforts here, where the local communities will also be critical to point out and criticize any domestic violations. The logic is, when you are preaching about democracy and human rights abroad, then it will also increase international pressures and therefore wider scrutiny for what happens internally.

***Q: Does the United States intend to engage these global swing states into a closer relationship? And if so, how does the United States government try to engage these states?***

Mr. Fontaine – Since none of us are currently working for the government, we cannot really speak for them. But to respond your first question, what we think that the United States should do at first is to determine what kind of global order they want to see. The United States government has a fundamental decision to make whether they are trying to make a smaller room for the international system and rising powers or not, and whether they are going to work in greater partnership with these rising powers as the international order starts to evolve. But in terms of what the government is going to do, we also do not have a clear picture on this.

Dr. Kliman – I think we all have seen a very concerted effort to build partnerships with these four states. But certainly the United States will also have to decide how much they want to compromise on certain issues. So there is definitely a hope in Washington for a greater and deeper partnership.