

United States – Indonesia Comprehensive Partnership: Progress and Challenges

An Open Forum with

Mr. Ted Lyng

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October 31, 2012

Introduction

Presidents Barack Obama and Yudhoyono signed the Joint Declaration on the Comprehensive Partnership in November 2010 to strengthen ties between the world's 3rd and 4th largest populated countries. The two presidents then reaffirmed the importance of those expanding ties in November 2011 when they met in Bali, Indonesia.

On September 17, 2012, accompanied by senior officials from both sides, Secretary Hillary Clinton and Foreign Minister Natalegawa highlighted the growing and robust relationship between their two countries. They further pledged to continue contacts between Indonesian and American officials at all levels and regular consultations on a wide range of bilateral,

regional, and international topics. In addition to these official contacts, there have been people-to-people contacts.

What do these closer contacts mean for bilateral relations between Indonesia and the United States? What progress has this Partnership achieved to strengthen the relations and cooperation between the United States and Indonesia? What kind of challenges remain and how might the two countries foster mutual understanding on those issues?

On October 31, 2012, USINDO, in cooperation with the Department of International Relations – Universitas Muhammadiyah Yogyakarta, hosted an Open Forum with Mr. Ted Lyng, Political Counselor at the United States Embassy in Indonesia, to discuss the progress of the Comprehensive Partnership to strengthen the bilateral relations between the United States and Indonesia, the existing challenges that hinder further progress of the Partnership, and key recommendations for the two countries to effectively address those challenges and optimize the Partnership.

This brief is USINDO's summary of his talk.

The Growing Importance of the Asia Region

The United States – Indonesia Comprehensive Partnership underlines the positive development in the relations between the United States and Indonesia. It significantly highlights the commitment and interests from both countries to further strengthen their engagement and cooperation in a number of crucial issues. It also signifies the recognition from the United States of the growing importance of Indonesia as its key partner to advance both countries' national interests, as well as to overcome global issues.

Indonesia's growing importance cannot be separated from the rise and emergence of Asia as a main focus of the United States' foreign policy. Over the last decade, Asia has fully emerged and transformed itself into fastest growing region in the world. This dramatic rise can be attributed to its impressive economic growth and increasing role and significance in global politics.

Asia has demonstrated an astonishing growth and development in economy. Not so long ago in 1990, Asia's economy was far behind the other prominent regions such as Europe and North America. Its share was only 6% of the total amount of global Gross Domestic Product (GDP). Only 20 years later in 2010, Asia has succeeded to triple the number into 18% of global GDP, which makes it a prominent economy in the world joining Europe and North America. This impressive economic growth has also led to a steep decrease in its poverty. Citing the World Bank figures, in 2002 or 10 years ago, half of Asia's population was stated to live with less than \$2 a day. That figure is estimated to significantly decrease into only a quarter of Asia's population by next year in 2013.

These impressive accomplishments are then further underpinned by the growing trade relations between the United States with China, Indonesia, Southeast Asia and many other countries in Asia.

Politically, Asia has moved from the sidelines to the center of global politics. There has been a significant amount of developments on regional institutions and political architectures in Asia. The East Asia Summit (EAS), the Asia-Pacific Economic Cooperation (APEC), and the Association of Southeast Asian Nations (ASEAN) are three major institutions in Asia that have successfully demonstrated and integrated much more effective and sophisticated mechanisms to develop regional alliances and stability than in the past. Asian nations are embracing more of a leadership role in international politics.

This growing economic and political importance of Asia is reflected in the article *America's Pacific Century* written by Secretary Hillary Clinton in the magazine of Foreign Policy. In this article, Clinton appraises that the Asia-Pacific has become a key driver in global politics and the key engines of the global economy, including important emerging powers such as China, India, and Indonesia. The future of politics will be decided in Asia, not Afghanistan or Iraq, and the United States will be at the center of the action.

Indonesia as a Key Player in Asia

Indonesia is an important part in the rise of Asia. There have been a lot of improvements over the last decade in Indonesia. These improvements can be attributed to its consistent efforts to significantly advance its performance and contribution in a broad range of areas from economy, politics, and democracy.

Economically, it is clear that Indonesia is currently transforming into a more significant and powerful player, both in the regional and global level. With its strong and growing economy, there is also a significant reduction in its poverty and debt rate.

Diplomatically and politically, Indonesia is also becoming stronger and more significant. The most recent example is Indonesia's performance as ASEAN's rotating chair in 2011. During this time, President Yudhoyono and Foreign Minister Marty Natalegawa successfully navigated a substantial amount of tricky issues in Southeast Asia, which highlights the skillful diplomacy. It has also been clear that Indonesia is now more global and has begun to take key roles in the global community. This is reflected in Indonesia's active participation in the G20, Organization of Islamic Cooperation (OIC), APEC, the United Nations, as well as its nomination as one of non-permanent members in the Security Council two years ago.

Indonesia is also globally recognized for its leadership in Asia-Pacific. In the latest ASEAN Ministerial Meeting last July, Indonesia demonstrated good leadership in reaching an agreement regarding the South China Sea dispute. Even though this Meeting eventually failed to conclude a communiqué, Indonesia's activism was certainly noteworthy as the very essence of extraordinary leadership.

In terms of democracy, Indonesia has consistently played a significant role as an example for many countries, especially those in transition from an authoritarian to democratic rule such as Burma, Egypt, Tunisia, and other countries involved in the Arab Spring. Indonesia also contributes as the host of the annual Bali Democracy Forum in November bringing together a large number of countries to share their experiences and promote the universal norms and values of democracy and human rights.

Furthermore, Indonesia's slogan in foreign policy "One Thousand Friends and No Enemies" reflects its position as a mediator in building bridges between Muslim majority nations with non-Muslim majority nations, developed nations with developing nations, and democratic nations with non-democratic nations.

The Comprehensive Partnership and Its Role in Strengthening the United States and Indonesia's Relations

Officially launched by President Obama and Yudhoyono in November 2010, the United States - Indonesia Comprehensive Partnership marks a new form of partnership intended to draw together the whole elements of each nation: governments, corporations, non-governmental organizations (NGOs), and most importantly, people-to-people relations. This Partnership encompasses three major pillars to enhance bilateral cooperation and mutual understanding between the two countries.

The first pillar is the political and security pillar where the United States and Indonesia work together to strengthen bilateral defense and security cooperation, and respond to non-traditional challenges such as trafficking, humanitarian assistance, and disaster relief. The second pillar is the economic and development pillar. Under this pillar, the two countries seek to intensify trade relations, reduce trade barriers, and develop a framework of cooperation to address energy and environmental issues. The third pillar is the socio-cultural, educational, science, and technology pillar. This is the most interesting and crucial pillar for university students because it seeks to promote academic exchanges and university-to-university partnerships.

Besides the three pillars, there are also six working groups that further implement the ideas of those pillars. These working groups are education, democracy, trade, security, the environment, and energy. Each working group meets regularly throughout the year and creates a lot of ties and bonds between the United States and Indonesia.

The Comprehensive Partnership is however more than just a variation of those pillars and working groups. It seeks to create greater meanings than a narrow bureaucratic structure. Under this Partnership, the United States and Indonesia have been involved in a lot of cooperation in the fields of science, technology, health, humanitarian, and education. The United States allocates hundreds of millions of dollars to Indonesia every year to help develop its capacity in those fields. Education is currently the lead area and first priority of both the United States and Indonesia. The United States is increasing the number of scholarships and opportunities for Indonesians to study in the United States. USINDO has

contributed significantly in this area by actively promoting and managing educational exchanges between scholars and officials from the two countries.

It is therefore very important to emphasize that the real goal of the Comprehensive Partnership is to get both countries to collaborate closely in every international issue. The essence of this Partnership is to create cooperation and collaboration among equals. Through this Partnership, the United States intends to exchange views with Indonesia and engage in equal-level talks to answer to regional and global challenges.

As the Comprehensive Partnership had its third annual meeting in Washington, DC last month, it has so far brought significant progress in strengthening the bilateral relations between the United States and Indonesia. Better relations are reflected in a much closer relationship between their respective leaders.

President Yudhoyono has been to the United States several times and met frequently with President Obama, including at the G20 Summit earlier this June. President Obama came to Bali in November 2011 to join the East Asia Summit for the first time, thanks to tireless efforts of Indonesia. Indonesia was the central player in facilitating the deal so that the United States and Russia could become a part of the East Asia Summit. Overall, President Obama has visited Indonesia twice during his first term. These visits in the span of only three years of this Partnership clearly signify a remarkable improvement in their bilateral relations, especially compared to the past.

Foreign Minister Marty Natalegawa and Secretary Hillary Clinton also have an extremely good relationship and often meet. The first trip Secretary Hillary Clinton made to Indonesia was an acknowledgement from the United States of the growing importance of Indonesia in global affairs. But her subsequent visit in September this year clearly suggests the commitment from both countries to bring the relationship to a new level.

Addressing the Existing Challenges to Optimize the Comprehensive Partnership

There are currently two existing small challenges that hinder the United States – Indonesia Comprehensive Partnership from realizing its full potency. These challenges must however be regarded as an incentive for the two countries to work even harder and more closely to achieve greater accomplishments.

The first challenge is attributed to the fact that there are still lingering suspicions from some elements in Indonesia. Some elements in Indonesian society, for example, still identify the goodwill of the United States with conspiracy theories and bad intentions to patronize and impoverish Indonesia. Some people of the United States also have limited knowledge of Indonesia's steady democracy and cultural diversity. To overcome this challenge, the United States and Indonesia then need to come up with greater initiatives to increase understanding between the whole elements of the two countries.

The second challenge is the economic challenge. The two-way trade between the United States and Indonesia is currently less than the two-way trade between the United States

and Malaysia, which is much lower than what it could be, considering the magnitude of each economy. The United States and Indonesia need to focus on efforts to boost trade relations and reduce trade barriers. The United States can show its business the great magnitude of Indonesia's market that is still growing very quickly. Indonesia needs to encourage its business and people to understand that open trade and investment enrich the economy of a country, instead of impoverishing it. The misleading assumption that free trade and investment will impoverish Indonesia has clearly been proven incorrect by the history of free trade and investment. Countries that have succeeded to become rich promote and embrace more open trade and open investment.

Regardless of those two challenges, the United States – Indonesia Comprehensive Partnership has hinted at an array of hopes for the brighter future of relationship between the two countries. The reason for this is because both the United States and Indonesia share similar values and interest as far as the Partnership is concerned.

The United States and Indonesia share similar values of democracy, unity in diversity, and tolerance. Both countries highly regard the values of democracy and consistently promote them in countless occasion and peaceful manner. The renowned National Motto of the United States “E Pluribus Unum” or in Latin “Out of many, one” draws uncanny resemblance to Indonesia's national motto “Bhineka Tunggal Ika” signifying the undeniable unity in diversity. The United States and Indonesia are among only a few countries in the world that are very religious, but also highly tolerant towards minor religions and faiths.

The United States and Indonesia also have a shared interest to fully benefit from the Partnership. It is in the United States' best interest to help Indonesia succeed to optimally realize its potency and maintain its stability. It is not that the United States is a great humanitarian, but in doing so, it also helps the United States to equally benefit from the Partnership. If Indonesia can improve its security and military capacity, it will contribute to the stability of the whole region and protect the borders from the growing threats of illegal fishing as well as drugs and human trafficking.

To address the existing challenges, the main priority is thus to concentrate on these values and interest in order to finally realize that the Comprehensive Partnership can only optimally work if the two countries involve comprehensively and show their comprehensive efforts.

Questions and Answers

Q: What is the difference between the Comprehensive Partnership and foreign aid? What are the roles of the United States in encouraging democracy in Indonesia?

The Comprehensive Partnership is more of a dialogue or vehicle for bilateral consultation between the United States and Indonesia. We do provide foreign aid each year to Indonesia. But the Comprehensive Partnership is more than just providing foreign aid. Through this Partnership, the discussion between the United States and Indonesia also touches various aspects. As an example, the United States and Indonesia also discuss

about regional problems such as South China Sea. This Partnership also serves as an opportunity from the United States and Indonesia to learn from each other. During the latest annual meeting of the Comprehensive Partnership in September this year, I attended the working group on democracy, where we learned that women participate in the parliament in Indonesia in larger numbers than in United States' Congress. This further leads to the second question regarding the roles of the United States in encouraging democracy. The United States believes that democracy is the better system, but it also believes in the free choice of each nation to determine and exercise the system of democracy they favor. In the case of Indonesia, the decision on what kind of democracy Indonesia wants or how it wishes to implement it entirely depends on the preference of Indonesian government. With more than 200 years implementing and preserving democracy, the United States however has more experiences that it can share. In this regard, the United States is more than willing to serve as Indonesia's partner by sharing its experiences on democracy while also learning and taking note from Indonesia.

Q: Specifically on the remaining economic challenges, what should Indonesia prepare to improve bilateral economic relations with the United States under the Comprehensive Partnership?

The history of modern world has shown that most countries that succeed in developing their economy have uniformly embraced the initiative to open their market for international trade and investment. In comparison, some countries known for their closed market and protectionism conversely hold the reputation as countries with lagging and stale economic growth. A more open and flexible market will also benefit each country domestically with the creation of more factories and jobs for the locals. Drawing the link between open economy and the Comprehensive Partnership, Indonesia and the United States can work together to gradually eliminate the remaining trade barriers so their economic relations can be significantly increased.

Q: Considering the importance of the tourism sector to underpin Indonesia's economic growth, through this Comprehensive Partnership, how has the United States contributed to promote Indonesia's tourism globally?

I personally would like to say that I really enjoy Indonesia's diversity, cultures and tourism destinations. Both the United States and Indonesia also realize that tourism has indeed factored significantly in Indonesia's economy. In this regard, the United States and Indonesia has worked together through their partnership and also membership in several international institutions such as the United Nations to maintain and preserve economic and political stability in both countries which positively contribute to the intensity, safety, and enthusiasm towards tourism between the two countries. The existing investment relations between the two countries have also significantly contributed to the improvement of infrastructures for tourism in Indonesia. Domestically, the United States has also promoted and accommodated exhibitions for Indonesia's arts and cultures, as well as cultural exchanges to learn and appreciate the rich cultures from each other.

Q: I notice that the United States applies the term ‘Strategic Partnership’ in its relations with some other countries. What is exactly the specific difference between Strategic Partnership and Comprehensive Partnership? Does ‘strategic’ mean something that is more than and beyond ‘comprehensive’?

I believe that it is just the choice of words. There is no difference between Strategic Partnership and Comprehensive Partnership. Just like the United States, Indonesia is actually also using the term ‘strategic’ and other different terms for different bilateral relations.

Q: It is in my understanding that since 1980s, China has somewhat emerged as the main competitor to the United States in leading the global and regional economy in Asia Pacific. Now regardless this Comprehensive Partnership, do you think that Indonesia will be siding with China instead of the United States considering its massive economic growth?

First, I want to emphasize that the United States has never considered China as its competitor or threat or enemy. This is not a zero-sum game. Both China and the United States have been involved in several partnerships in various fields and pledged to continue and strengthen their bilateral relationship.