

A Smart-Power Partnership with Indonesia

Cameron R. Hume

United States Ambassador to Indonesia

Charting a New Course

Indonesia has reached a critical point in its history. Ten years after becoming a democracy it has turned back threats of terrorism and separatism, decentralized power, and achieved economic stability and growth. Now its leaders look to the future, shifting resources toward education and asserting democracy as part of foreign policy. Just before the G-20 meetings in Washington last November, President Yudhoyono called for closer US-Indonesian relations “based on partnership and common interests.”

In February, Secretary Clinton came to Jakarta and called for the United States and Indonesia, the world’s third and fourth largest countries, to chart a course toward a comprehensive partnership. Her visit on her first trip to Asia as Secretary of State had clear symbolic importance, and her meeting with President Yudhoyono opened the dialogue at the highest level. Both inside and outside official meetings, she demonstrated the importance of smart power, balancing national security concerns and people-to-people diplomacy.

In the official meetings Secretary Clinton made important policy commitments: to double the number of Indonesian students in the United States, to foster linkages between US and Indonesian educational institutions, to open a Peace Corps program in Indonesia, to negotiate a comprehensive science and technology agreement, to support Indonesia’s Coral Triangle Initiative and to cooperate on the environment and to explore expanding cooperation on health. In her own words, “Building a partnership, a comprehensive partnership with Indonesia, is a critical step on behalf of the United States’ commitment to smart power.”

Outside official meetings Secretary Clinton deployed smart power directly. She engaged millions of Indonesian youth and families by appearing on the Dahsyat! (awesome, in English) TV morning show. She had an open dialogue with human rights activists, Muslim intellectuals, environmentalists, parliamentarians and community leaders at a civil society dinner. She visited a poor Jakarta neighborhood with local leaders to see how a USAID environmental project makes a difference by providing clean water. Her obvious openness and warmth created opportunities for Americans and Indonesians to develop deeper, friendlier relations.

Forming a Comprehensive Partnership

Diplomacy relies on dialogue. Americans want to get down to practical matters, to address specific questions and to agree on action plans; Indonesians want to set the framework, often in the most general terms, and turn to concrete questions only later.

Forming a partnership will require both sides to adjust work habits, speaking clearly about their interests and listening carefully to their new partners. Both will have to give and take.

How does the United States look at Indonesia? “If you want to know whether Islam, democracy, modernity, and women’s rights can coexist, go to Indonesia,” Secretary Clinton said. Indonesia is important because of its population of 245 million, its location straddling the passages between the Indian and Pacific Oceans, its success in countering terrorist threats, its democratic transition and its leadership in Southeast Asia. These factors make Indonesia a complex, strategically important country and a valuable long-term partner for the United States.

As the bilateral dialogue on forming a comprehensive partnership begins, the United States sees five key priorities: education, governance, climate change, regional security and counterterrorism, and trade and investment.

Education: Success in the 21st century depends on success in education, and education can be the cornerstone of the partnership. Both partners value the open exchange of ideas and see the need to open possibilities for the next generation. President Yudhoyono’s government is committed to doubling the education budget, including bringing computers into the classroom and sending students abroad for advanced studies.

Secretary Clinton announced two goals in education. First, she committed to doubling the number of Indonesians studying in the United States. Now there are only 7,500 Indonesians studying in the United States, few of whom are pursuing advanced academic degrees. Many of these students are self-funded and first attend a community college, often in California, Washington, or Indiana, before enrolling in the state university system to complete their degree. Their success rate is high. The two sides have just signed an updated Fulbright Agreement for the largest such program in Asia. However, Fulbright scholars study at the graduate level, and the program is expensive: it funds only 120 scholarships annually and requires an administrative staff of ten. If Senator Fulbright were in Congress today, what might he add to the Fulbright program for the 21st century?

Second, Secretary Clinton called for linkages between educational institutions. US universities are assets in any smart power strategy. Indonesian leaders educated in the United States are more forward-looking, reform-minded, and ready to work together. They include President Yudhoyono and key members of his government, as well as business and academic leaders. Until now the US government has not encouraged US colleges and universities to develop advanced degree programs, conduct research, promote language learning, or to facilitate exchanges with Indonesian institutions, and Indonesian practices have often impeded such cooperation.

Frankly, the two sides need to discuss where the greatest needs and opportunities are. A recent Institute for International Education mission visited Jakarta community college and liberal arts colleges to explore partnerships. The model of professional schools offering two year joint masters degree programs has proved popular elsewhere, and the US side should increase the number of its citizens studying in Indonesia. There is much scope

for advanced degree research, pairing such institutions as Yale's School of Forestry and Environmental Studies and the Bogor Agricultural Institute. Educational institutions and individuals, not bureaucrats, should decide what linkages are needed. Diplomats should find ways to support those decisions.

Bringing the Peace Corps back to Indonesia will promote people-to-people ties. Within a month of Secretary Clinton's endorsement of a Peace Corps mission in Indonesia, a survey team will arrive to negotiate a memorandum of understanding and to design the first program. Their goal is to launch the program in time for President Obama's possible visit in November.

Governance: Because of Indonesia's transition to democracy, 245 million more people live in a democracy now than just a decade ago. Anti-corruption reform, decentralization of government, and building of institutions are ongoing. These changes have improved law enforcement and decreased tensions in Aceh, Papua, Ambon and Central Sulawesi. The United States will continue to be an active partner in these efforts.

Indonesia's democracy provides a new basis for the country to lead again in its region. Indonesia promotes democracy through the Association of Southeast Asian Nations (ASEAN) and the Bali Democracy Forum. Foreign Minister Wirayuda has challenged Malaysia's and Singapore's invocation of "Asian values" as a reason to postpone democracy, and President Yudhoyono has urged Burma to undertake democratic reforms. Secretary Clinton admitted that the US policy of isolating Burma had worked no better than ASEAN's policy of engaging Burma, and said she would welcome a dialogue between Indonesia and the United States to find a set of policies more likely to bring about change. Partnership with the United States can boost Indonesia's leadership on democracy at home, in the region, and beyond.

Climate Change: On the eve of her visit Secretary Clinton said, "Now climate change is not just an environmental or an energy issue, it also has implications for our health and our economies and our security, all wrapped up in one."

The United States and Indonesia are superpowers of the environment. Indonesia is first in the world in marine biological diversity and second in land biological diversity, but a major carbon dioxide emitter. To save a planet in peril the two sides must cooperate in bilateral programs and in defining the critical center in global negotiations. We already work together to combat illegal logging, to save endangered species, and to protect Indonesia's spectacular marine environment. Indonesia has shown leadership on climate change through hosting the UN Climate Change conference in 2007, and President Yudhoyono has promised to make binding commitments to reduce emissions in return for financial incentives to avoid deforestation.

Secretary Clinton brought Special Envoy for Climate Change Todd Stern on her trip because of the priority of this issue. The two sides are about to conclude a Tropical Forest Conservation Act agreement that will field test ideas for protecting the forests here in which a mere three acres of land contain more different tree species than the entire

continent of North America. We are working together in the launch of the Coral Triangle Initiative, which aims to protect marine life in an area essential both for coral diversity and for being the spawning ground for such world-roaming species as the yellow fin tuna and the leatherback turtle.

The United States now spends over \$50 million per year on health programs in Indonesia, and Secretary Clinton recalled that “pandemics threaten children in Jakarta and Jacksonville.” Half of all cases of avian influenza occurred in Indonesia, and the country is a reservoir for tropical and infectious diseases such as malaria, tuberculosis and dengue fever. The comprehensive science and technology agreement now being negotiated can provide a sounder basis for bilateral health cooperation, particularly for joint research. However, health cooperation needs further discussion to resolve disputes over biological sample sharing.

Regional Security and Counterterrorism: With over 40 percent of ASEAN’s population, Indonesia is a natural leader for the region situated between China, India and Japan. Security cooperation has proved important for many reasons: to build capacity to respond to natural disasters at home and to join peacekeeping missions abroad, to combat terrorist threats, and to protect trade routes, such as the Straits of Malacca. Cooperation on law enforcement is intense and effective. PACOM, the US command based in Honolulu, takes the lead on defense issues and has a busy program of training and exercises. These programs transmit our values to the Indonesian military and police, and both have reform programs to prevent human rights abuses.

Trade and Investment: G-20 summit meetings have Indonesia at the head table. Indonesia is weathering the global economic crisis because its economy is driven by domestic consumption and its macroeconomic policies are sound. Indonesia has earned this position, and Goldman Sachs has predicted in its study of major emerging economies that Indonesia’s economy will surpass Japan’s in size by 2050. However, long-term trends could be destabilizing: half of Indonesia lives on \$2 a day or less; unemployment is near ten percent and rising, and underemployment is over 30 percent; and, income inequality could ignite social and political tensions in any economic downturn.

The bilateral trade and investment relationship needs attention. Indonesia is only our 26th largest trading partner, and Indonesia has concluded “free” trade pacts with ASEAN partners, Australia, New Zealand, Japan, South Korea and China. For starters, reinstating the Overseas Private Investment Corporation (OPIC) agreement, deepening the current Trade and Investment Framework Agreement, and opening talks for a Bilateral Investment Treaty would give needed ballast to the bilateral relationship. Without engaging real economic interests from both sides, a bilateral partnership will lack scope and support.

Smart Power: The Way Forward

Diplomats are initiators, facilitators, and—ideally—intellectual leaders. All five elements of the proposed comprehensive partnership require more and deeper engagement.

How do we develop a smart power strategy?

Advances in information technology, media and global networks have extended diplomacy well beyond government to government relations. No longer mere reporting officers, diplomats must be action officers who shape decisions by providing context, by connecting with government and private sectors, and by advancing policy directly. The successful diplomat must broaden the field beyond traditional channels to engage domestic agencies of the government, universities, private foundations, companies, civil society organizations, and individuals.

A second key lesson is to engage your partners on issues that are vital within their own society. In the case of Indonesia, that means working on education, on counter-terrorism, on fighting corruption, on health, on climate change, and on trade. This agenda is not traditional for diplomacy, and it touches on areas sensitive for domestic politics. However, the best way to promote reform is to work with the reformers, and international cooperation should fuel internal change.

Finally, steer a course into the future. Whatever programs are put in place, rather than respond to yesterday's problems, they must aim at a point of arrival five, ten, or twenty years hence. Education and climate change are clear examples. What future can any relationship have without policies that nurture the young and protect their environment?