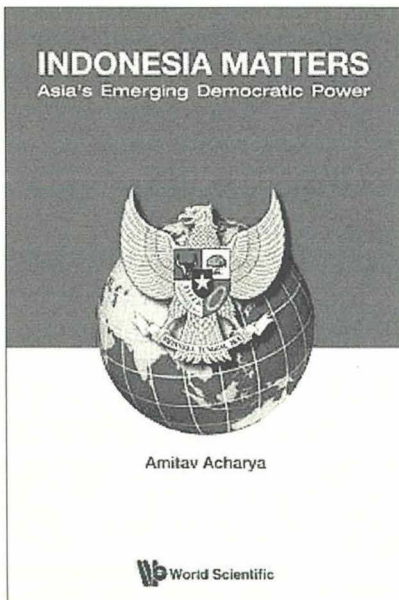

BOOK REVIEW

INDONESIA MATTERS: Asia's Emerging Democratic Power



By Amitav Acharya

Paperback : 148 pages

Publisher : World Scientific Publishing
Company (20 August 2014)

Language : English

ISBN-10 : 981461985X

ISBN-13 : 978-9814619851

Introduction and Summary of Book Discussion

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It is an exciting time to live in Indonesia. The country has just muddled the 2008 financial and the subsequent recession with flying colors. Unlike countries in the region that rely heavily on export, Indonesia was not greatly impacted. Growth has remained stable, making it one of the fastest growing major economies in the world. The country has just peacefully elected its legislative representatives and president in 2014. After 10 years in opposition, the Indonesian Democratic Party of Struggle (*Partai Demokrasi Indonesia-Perjuangan*, hereafter abbreviated as 'PDI-P') won 18.95% of the total votes on April 2014, gaining the most seats for a single party.¹ Joko Widodo, the former mayor of Surakarta, burst into the national political scene, first as the governor of Jakarta and finally winning the presidency on July 2014.²

The rise of Indonesia's political and economic prestige puts it in the club of emerging powers. Indonesia is by far the most influential member of the Association of Southeast Asian Nations (ASEAN). It is now a member of the G-20 major economies. There were even discussions that Indonesia deserved to be the "I" within the grouping of BRICS (Brazil, Russia, India, China, and South Africa).³ The peaceful parliamentary and presidential elections set Indonesia apart from other young democracies. Impatient with the ensuing caprice, the military toppled civilian governments in Egypt and Thailand, while new leaders came to take up positions in Indonesia with no violence. It is also worth noting that while other young democracies still struggled with communal insurgencies and separatism, Indonesia has achieved stability on these fronts. Although Papua remains restive to this day, violence between Aceh and Jakarta has ceased and the country's counter-terrorism efforts have largely been successful.

1 Zakir Hussain, "Indonesia elections: PDI-P tops final tally with 18.95% of the votes," *The Straits Times*, 10 May 2014, <http://www.straitstimes.com/news/asia/south-east-asia/story/indonesia-elections-pdi-p-tops-final-tally-1895-votes-20140510>

2 Markus Junianto Silaholo, et al, "Jokowi-Kalla win Indonesia Presidential Election as KPU completes tally," *The Jakarta Globe*, 20 July 2014, <http://www.thejakartaglobe.com/news/jokowi-kalla-win-presidential-election-kpu-completes-tally/>

3 Karishma Vashwani, "Should Indonesia be the I in the BRICS?" *BBC News*, 27 March 2013, <http://www.bbc.com/news/business-21921593>

It is against this background that the book *Indonesia Matters: Asia's Emerging Democratic Power* by Amitav Acharya was written. Acharya is the United Nations Educational, Scientific, and Cultural Organization (UNESCO) Chair in Transnational Challenges and Governance, Chair of the ASEAN Studies Center, and Professor of International Relations at the School of International Service, American University. The book details the rise of Indonesia as what the author called a democratic emerging power. The story of Indonesia's rise differs from the traditional power emergence of modern nation-states, associated with economic development and military power. Indonesia's rise has been grounded in the success of its democratic governance, economic development, and political stability.

Centre for Strategic and International Studies (CSIS) Indonesia organized a discussion to review this book on 18 August 2014, during which Amitav Acharya himself made an introductory remark of the book. The discussion was also attended by Aleksius Djemadu, who gave his commentary. This is a brief introduction of the book, followed by a summary of the book discussion.

The Virtuous Cycle of Development, Democracy, and Stability

Acharya began by positing what sets Indonesia apart from other emerging powers of its kind. *First*, the rise of Indonesia is firmly rooted in democratization and regional engagement. This is in contrast with countries in BRICS, which relied on economic growth and military spending. Brazil, Russia, India, China, and South Africa are military powers in their own right, regionally and globally. Relative to its neighbors - let alone global emerging power counterparts - Indonesia is neither militarily nor economically strong. It is therefore curious that there has been a great expectation that the country would play a role as a mediator and facilitator in regional conflicts.

Second, as an emerging power, Indonesia is strongly anchored in its own region. It is crucial to point out that other emerging powers have achieved their global status and recognition, not because of their respective regional position, but despite of it. This is evident in the regional relations of BRICS countries, which are often characterized by distrust and even outright conflict. Acharya showed that the experience of Indonesia suggested that a good regional footing is a prerequisite towards global respect. As it enjoys the trust and confidence of its neighbors, Indonesia is the go-to country for regional matters in Southeast Asia and often represents the

region at the global stage. As former Foreign Minister Marty Natalegawa put it, Indonesia is a “regional power with global interests and concerns.”⁴

Indonesia’s power lies in a virtuous cycle of upon which the country’s success in the post-*Reformasi* era has been built: democracy, development, and stability. These three elements are working side-by-side in an inter-related manner to build the status and recognition that Indonesia has enjoyed. The internal stability from democratization is a fertile ground for economic development. In turn, economic development and internal stability themselves aided the legitimacy of the political system, thus further consolidating democracy.

It is impossible to separate Indonesia’s newfound regional and global position without discussing its democratic success. The country’s democratic consolidation is a direct product of the 1998 reform movement through various amendments to the original 1945 Constitution. For example, the Constitution was amended in 1999 in order to put a limit of two terms on presidential rule, after 32 consecutive years under President Suharto.⁵ Several constitutional amendments followed in the consolidation of its democracy such as in separation of powers, human rights, freedom of religion, freedom of expression, and various others.⁶

The second element in Indonesia’s democratic achievements so far is in decentralization. This was also initially done through the path of constitutional amendment. The third one, in 2001 established the Regional Representative Council (*Dewan Perwakilan Daerah*, hereafter abbreviated as ‘DPD’), a directly elected legislative chamber with the mandate to discuss bills on the country’s regions. Yet, unlike those in the parliament (*Dewan Perwakilan Rakyat*, hereafter abbreviated as ‘DPR’), there is no requirement that those sitting in DPD need to come from political parties.

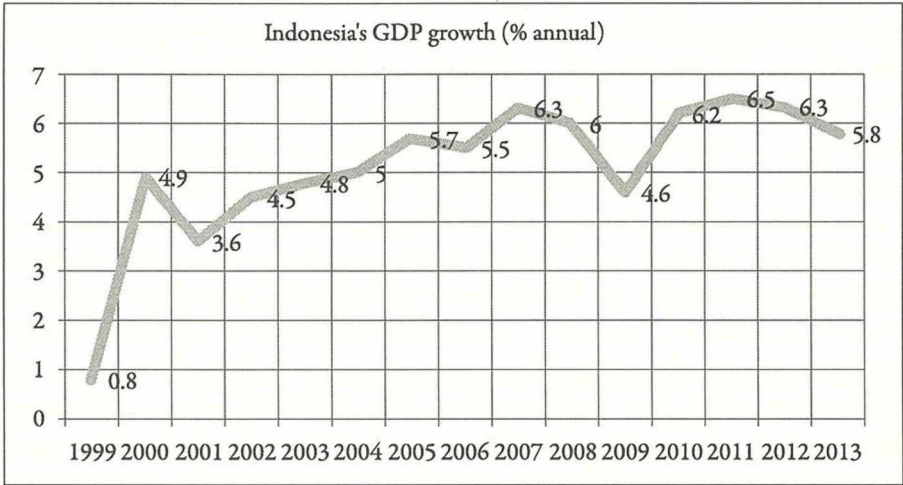
Another fruit of Indonesia’s post-1998 reform is the country’s subsequent economic development. The hardest hit economy in the 1998 Asian Financial Crisis, it has since rebounded to being one of the region’s most resilient. Indonesia did not experience a recession—defined as negative growth of the Gross Domestic Product (GDP) during two consecutive quarters—during the Global Financial Crisis of 2008, although growth did slow down during the acute years of the crisis (see Figure 1).

4 Amitav Acharya, *Indonesia Matters: Asia’s Emerging Democratic Power* (Singapore: World Scientific, 2014).

5 Donald Horowitz, *Constitutional Change and Democracy in Indonesia* (Cambridge: Cambridge University Press, 2013), p. 93.

6 Ibid.

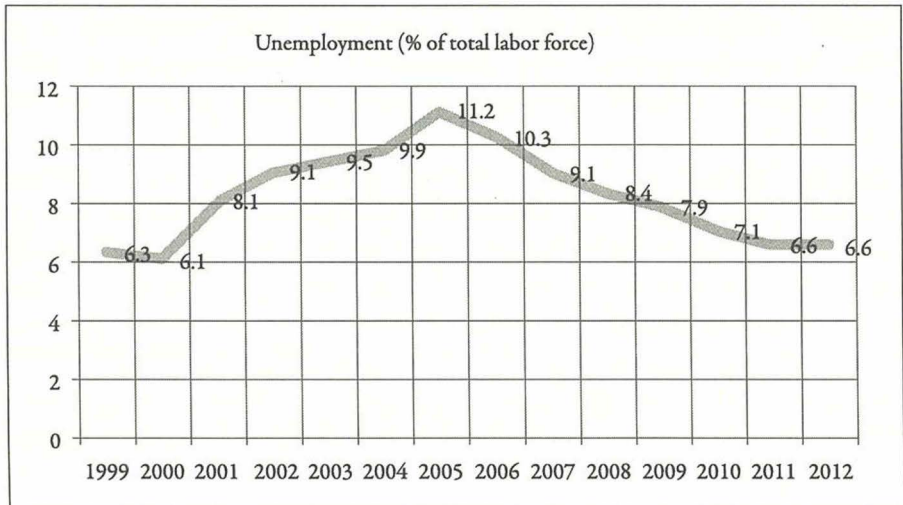
Figure 1. Indonesia's Annual GDP Growth (1999-2013)



Source: World Development Indicators

Such remarkable achievement has created millions of jobs for Indonesians, absorbing the new entrants to the labor force. The number of people without jobs has consistently decreased (see Figure 2). The unemployment rate spiked in the early 2000s, possibly due to the rise of commodity prices and the mini crisis that affected Indonesia's domestic sector, before falling down again despite the Global Financial Crisis.

Figure 2. Indonesia's Annual Unemployment Rate (1999-2012)



Source: World Development Indicators

In turn, the economic development has lifted millions of Indonesians out of poverty. The poverty headcount ratio based on the national poverty line has also fallen from 23,4% in 1999 to 11,4% in 2013.⁷ Consequently, the falling poverty rate translated into the increase of the number of the Indonesian middle class. Under the scenario of annual 5-5-6% annual GDP growth, it is estimated that around 90 million Indonesians will join the global consuming class by 2030, making the Indonesian domestic market even more dynamic and lucrative.⁸ Various factors assist in this transformation; including the healthy growth in working-age population, urbanization, and continued improvement in productivity.

The economy is not without its challenges, nonetheless. Inequality in Indonesia has risen in the post-1998 economic development. The GINI index - which measures how much household consumption in an economy deviates from a perfectly equal distribution - has increased from 29 in 1999 to 35,7 in 2010.⁹ There is also concern that the government has not done and will not be able to do enough to lift the country's growth trajectory, mainly owing to its penchant for populist policies and its willingness to address the bottlenecks that have plagued the country's economy. The case of fuel subsidies is one example of the tendency to enact populist policies and delay reforms. It is widely acknowledged that fuel subsidies are wasteful. Intended to low-income households in purchasing fuel, the subsidies take up around 14% of the national budget each year, but are mostly used for upper and middle-income households.¹⁰ Economists widely agreed that these funds would be better used for healthcare and infrastructure purposes. Yet subsequent governments have found it hard to decrease these subsidies, let alone scrap them altogether. Another problem is the various infrastructure and regulatory bottlenecks that prevent Indonesia's economy to realize its full growth potential. According to the World Bank, logistics costs amount to as much as 24% of Indonesia's GDP, a large

7 The World Bank, "Poverty headcount ratio at national poverty lines (% of total population)," *World Development Indicators* (2014), <http://databank.worldbank.org/data>

8 Raoul Oberman, et al, "The Archipelago Economy: Unleashing Indonesia's Potential," *McKinsey Global Institute*, (2012), http://www.mckinsey.com/insights/asia-pacific/the_archipelago_economy

9 The World Bank, "GINI index," *Poverty and Inequality Database*, (2014), <http://databank.worldbank.org/data>

10 Rieka Rahadiana and Herdaru Purnomo, "Widodo Committed to Curb Indonesia Fuel Subsidy After Rebuff," *Bloomberg News*, 24 August 2014, <http://www.bloomberg.com/news/2014-08-28/widodo-committed-to-reducing-indonesia-fuel-subsidy-after-rebuff.html>

unnecessary tax on the economy.¹¹ These economic challenges need to be addressed if Indonesia is to realize its full potential.

On the issue of stability, the story of Indonesia portrays varied examples throughout its path toward a democratic power. The country had a mixed track record in dealing with sectarian and separatist conflicts. Various sectarian conflicts flared up after 1998. Most notable among these are the conflicts in Poso and Ambon, both in eastern Indonesia—Central Sulawesi and North Maluku, respectively. It was estimated that around 5,000 people were killed in North Maluku alone.¹² The sectarian sentiments were mixed with economic interests in both conflicts, strongly related with the transmigration of Muslim Javanese population in the face of usually Christian local population. The conflicts in Poso and Ambon were largely put to end by the subsequent Malino I and II Agreements.¹³ Separatist activities in East Timor, Aceh, and Papua further exacerbated both sectarian sentiments and economic interests. Although East Timor later gained independence after a bloody struggle that allegedly included human rights violations, Jakarta's decision to grant Dili independence was widely acknowledged to be indispensable. Separatism has largely subsided in Aceh after decentralization came into the fore, although various human rights activists have voiced concerns on the price ordinary Acehnese have to pay for national unity under decentralizations.¹⁴ The case of Papua is more complex and it remains to be seen whether Indonesia would be able to navigate this with lesser bloodshed and rights violations.

Another issue faced by Indonesia in front of stability is security sector reform. The country is widely credited in its success in dealing with the dynamics of civil-military relationship. Under the New Order, the military played an official and crucial role in politics, called the Indonesian Armed Forces' dual function (*dwifungsi*).¹⁵ Subsequent reforms transformed this role, establishing a strong civilian control over the military under the

11 Rieka Rahadiana and Neil Chatterjee. "Indonesian President Sets Maritime Ambition with \$6 Billion Port Plans," *Bloomberg News*, 7 November 2014, <http://www.bloomberg.com/news/2014-11-06/captain-widodo-to-steer-6-billion-indonesia-port-upgrade.html>

12 "Conflict Management Strategies in Indonesia: Lesson from the Maluku Experience," Centre for Humanitarian Dialogue Workshop Report (2010), http://www.hdcentre.org/uploads/tx_news/21ConflictManagementStrategiesinMaluku01032010_0.pdf

13 Ibid.

14 "An uphill battle to end discriminatory laws," *The Jakarta Post*, 17 September 2012, <http://www.thejakartapost.com/news/2012/09/17/an-uphill-battle-end-discriminatory-laws.html>

15 Michael Green, "Indonesia's armed forces in the democratic era," CSS Strategic Briefing Papers, (2011), <http://www.victoria.ac.nz/hppi/centres/strategic-studies/documents/Indonesias-Armed-Forces-SBP-Vol6-P1-Nov2011.pdf>

framework of democracy. Such achievement is particularly remarkable in the face of troubling civil-military relationships in other young democracies such as Thailand and Egypt. The Indonesian experience can be illustrative particularly to its Southeast Asian counterpart that is slowly democratizing at the moment, Myanmar.

The emergence of Indonesia has already provided counter-narratives towards the two beliefs among academics and analysts on the interaction of democracy, development, and stability. First, the belief that democracy does not go with development. An authoritarian rule is needed in order to promote economic development. The post-1998 economic achievements of Indonesia have defied this belief popularized by the experiences of South Korea, China, and Taiwan. The McKinsey Global Institute projected that if it enacts much needed reforms, Indonesia is on course to be the 7th largest national economy in the world by 2030, from its place at 16th today.¹⁶ Second, the belief that new democracies are prone to suffer from internal strife and wage war with their neighbors. Indonesia did suffer its fair share from communal strife in several regions such as Aceh and East Timor, but the belief does not hold in the face of Indonesian experience. Indonesia has successfully contained and ended these conflicts. Granted, there are still several issues of communal unrest and violence—most notably in Papua, yet the country's experience suggests that it will be able to manage these better than expected.

In his book, Acharya later pointed out the broad challenges that Indonesia need to understand and address in order to keep it on the path of emergence. First, the country needs to realize that democracy is an ongoing process. It is not a given statement. It is an achievement that needs to be guarded, therefore it cannot be taken for granted, especially bearing in mind its importance in Indonesia's global and regional position. Second, Indonesia cannot turn a blind eye to its myriad of economic challenges. The country's dependence on the primary sector, especially in its trading position, needs to be taken seriously. So does the possibility of the country falling into the middle-income trap in the near future. As such, necessary yet unpopular reforms are in order with an emphasis on developing the country's productivity and human capital. Third, in the front of stability, Indonesia needs to better deal with Papua. The current framework of decentralization has not done much to improve the predicament of ordinary Papuans and stem local unrest. Lastly, as external environments in the region change, Indonesia might need a rethinking of its strategy.

16 Oberman et al, "The Archipelago Economy."

The ascendancy of China and the rebalancing of United States have made Asia-Pacific a trickier region to navigate. This calls for an assessment of and possibly changes in Indonesia's foreign policy objectives and strategy.

Complacency?

Acharya has provided an excellent contribution in the discourse on Indonesia's foreign policy. He has shown the unique pathway of the country in achieving its current place in regional and global politics through the virtuous cycle of democracy, development, and stability. Yet, as the commentaries below argue, it is important to bear in mind the danger of complacency in foreign policy making, the need for diversity of perspectives, and consistency in the grand strategy of regionalization and globalization.

Commentary: Beyond the Virtuous Cycle of Indonesia's Foreign Policy

Aleksius Djemadu

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In the midst of the paucity of substantive publications focusing on Indonesia's foreign policy in the post-Soeharto era, Amitav Acharya's book should be welcomed as a valuable contribution not only for the policy makers but also the analysts. I really admire Acharya's great effort in writing this book and the way he has organized his ideas focusing on what he calls "virtuous cycle of democracy, development and stability" not only as a new identity in Indonesia's foreign policy under President Susilo Bambang Yudhoyono (SBY) but also a basis for its diplomatic leverage at the regional as well as the global arena of international politics.

His arguments are well accepted. Through his praise for SBY and his foreign policy makers at the Ministry of Foreign Affairs, the content of the book sounds like a beautiful music in their ears, for a well-known scholar like Acharya makes a public recognition of the success of SBY's government in creating a workable congruence between Indonesia's domestic democratic consolidation and its foreign policy behavior. Acharya seems to have wanted to persuade his readers to believe that SBY has been successful in restoring Indonesia's international standing.

I fully agree with the author that the operational and functional

compatibility or correlation among three important national agendas - democracy, development and stability - over the last decade of SBY's government cannot be just taken for granted. Acharya is right that such correlation requires a good plan and purposeful effort on the part of national leadership to accomplish its intended goals. If we look at the experience of other countries like Thailand and Egypt whose process of democratic reform is facing tremendous challenges including the military intervention in politics, we should agree with the author that somehow Indonesia has been more successful in navigating its democratic consolidation and managing its diversity within that political framework. It is on the basis of these democratic credentials that Indonesia has regained enough self-confidence to play an active and constructive role not only at the regional but also global diplomatic arenas.

There are at least three important factors that will determine the success of a book that covers a case study of one country. First, it must be methodologically sound in the sense that we provide an accurate description of reality based on strong evidence and not just speculation or pure imagination. If it is about foreign policy like the topic of the book under discussion the content should really reflect the country's foreign policy behavior and the rationale behind it. Second, the author should have the right yardsticks in making a prescriptive judgment so that they come up with the necessary policy recommendation for future improvement in accomplishing foreign policy objectives.

Third, based on sound methodology and policy evaluation, the author may help to inspire the government and the people of that country to figure out the future direction of its foreign policy especially in responding to the real needs of its people as the first and ultimate constituent of its foreign policy. After all, it is one thing to create a nice impression in the eyes of our neighbors but it is quite different thing to have the right kind of foreign policy strategies in producing real and tangible or measurable output of any foreign policy endeavor.

I must say that Acharya has fulfilled all those three requirements in writing his interesting book so much so that it has contributed a lot in understanding Indonesia's foreign policy behavior over the last decade. As he says in the book, he has visited this country dozens of times and had conversations and interviews with people of various backgrounds, including top government officials like SBY and former Foreign Minister Marty Natalegawa. Thus, he has first hand information to add to the credibility of his account of Indonesia's foreign policy.

Acharya's thesis about the positive correlation of democracy, development and stability should be underlined considering the huge impact of our authoritarian past under the New Order rule, the immensity of the economic crisis in late 1990s, and the severity of the communal and separatist conflicts in various regions as we entered the 21st century. Indonesia would do well to take his tacit advice that we should maintain the virtuous cycle of democracy, development and stability as the future blueprint of the nation while we continue to improve its setbacks and shortcomings.

Despite all the positive notes that I have described above, we also need to pay attention to some critical comments, which are meant to put the message of this book in perspective and be proportional in acknowledging its merits to avoid sense of self-complacency especially on the part of our foreign policy makers. Self-complacency may lead our foreign policy makers to think that just because we are already on the right track of our foreign policy role at the regional and global level there is no need to think deeper about the whole construction of regionalization and globalization strategies in the midst of increasing competition to gain material benefits both in terms of economic wealth and military preponderance. After all, if the realist arguments were to consider, real diplomatic leverage can only be produced through the strengthening of economic capabilities and other essential elements of national power.

The author does make a long list of government officials, members of parliament, military generals, journalists, scholars and religious leaders as his sources of information. It is fair to say that many, if not most, of these people are those who are in favor of SBY's foreign policy paradigm or mindset. No wonder, we cannot find in this book a rigorous exploration of counter-perspective or counter-narratives of Indonesia's foreign policy so that we can critically identify Indonesia's vulnerabilities especially in the economic dimension of its regional engagement. To be sure, there is indeed some discussion about Rizal Sukma's notion about the "post-ASEAN foreign policy" on page 70 and 71. If we have a whole spectrum of ideas or narratives about Indonesia's foreign policy then we might choose which one is best in navigating our foreign policy whose ultimate objective is more than just creating nice impressions in the eyes of other countries or foreign observers.

How about those foreign policy counter-narratives which suggest that Indonesia has focused so much on political and security concern in its foreign policy that it has neglected the internal consistency and

policy coherence of the whole construction of its economic diplomacy? When the ASEAN-China Free Trade Agreement (ACFTA) began its implementation a couple of years ago there was an open debate between the Ministry of Trade and Ministry of Industry in the media which indicates how the relevant ministries have worked in “silos” without a grand strategy in dealing with economic regionalization and globalization. As the largest economy in Southeast Asia how Indonesia is left behind compared to Singapore, Malaysia and Thailand in maximizing the market access to take advantage of China’s huge economy.

I believe Indonesia can continue to play a role of setting the norms in building the regional security architecture of the Asia Pacific; however, if it is done at the expense of our real needs there will be a legitimate accusation that we just want to do the easy part of our external diplomacy while being indifferent about the real imperatives in managing our external relations. Why should we make or promote moral exhortation in regional or global politics where no one can guarantee its binding implementation?

Can Indonesia afford to solitarily defend the centrality of ASEAN and continue to set the norms for the region when other ASEAN members seem to be more pragmatic, especially when their strategic interests are at stake? For instance, Cambodia is more interested in receiving economic aid from China than prioritizing the common stand in dealing with conflict in South China Sea. The Philippines tries to revitalize its military cooperation with the US in order to counterbalance China’s military approach. Vietnam wants to get closer to the US and India for the same reason.

With these counter-perspectives in understanding Indonesia’s foreign policy I don’t mean to belittle the success of President SBY in building a good image about Indonesia in his two terms of presidency. However, having a “virtuous cycle of democracy, development and stability” is just a starting point for the bigger challenges ahead of us especially when we talk about taking the nation to a higher level to become a developed state when we celebrate the centennial anniversary in 2045.

It is interesting to observe that the current government under President Joko Widodo seems to realize that Indonesia can no longer afford to neglect the importance of foreign policy as an instrument to develop Indonesia’s economic strength as the domestic basis of real international diplomatic leverage. In her first press conference Foreign Minister Retno Marsudi underlined her priorities of making Indonesia’s foreign policy more “down to earth.” The new government wants to revitalize the importance of economic diplomacy in its foreign policy by strengthening the role of

Indonesian diplomatic missions abroad in promoting the nation's trade interests, investment attractions and tourism industry.

When President Joko Widodo had talks with China's President Xi Jin Ping and US President Barack Obama in the sidelines of the APEC summit in Beijing in early November this year, he made it clear that a new partnership with them should produce real and tangible benefits for Indonesia. This is a clear indication that under the new government the starting point of Indonesia's foreign policy is the real interests of its own people and not the imperative of pleasing its international partners. This can be seen as a serious challenge and criticism against the legacy of SBY whose foreign policy seemed to be so detached from the real needs of the Indonesian people. If the criticism is valid then it can also be addressed to Acharya's argument which has praised SBY and his foreign policy while neglecting the issue how foreign policy had responded to the real needs of the Indonesian people.

Commentary: Where is the Beef? Indonesia's Foreign Policy during SBY's Era

Philips J. Vermonte

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That Indonesia is indeed an emerging power to be reckoned is one of Amitav Acharya's arguments in this book. The book is timely published from the Indonesian perspective, for at least two reasons. *First*, Indonesia is in the year of election, which will result in a change of government. SBY, whose foreign policies are the main theme of the book, already served his two terms. Thus, this book is of crucial importance for the upcoming government given that it provides an important overview of Indonesia's foreign relations in the past ten years, of what have been achieved or what have not. After all, for the most part, foreign policy, unlike domestic politics, is about continuity rather than radical change.

Second, the main premise of the book is that the path for Indonesia in ascending to a new status as an emerging power is unique. The path is

not through the accumulation of military and economic powers; rather, it is through the projection of its image as a new democracy, sustainable development, and the maintenance of a certain degree of political stability at home.

The last two features, development and stability, are not new for Indonesia. They were the main sources of legitimacy for Suharto's New Order government during which Indonesia endured quite impressive economic growth. These two features were also utilized by Suharto to project Indonesia's leadership in the country's immediate neighborhood, the Southeast Asian region.

Acharya argues that with the three modalities (being a new democracy, continued development, and political stability) Indonesia has been able to align itself with other emerging powers and, lo and behold, eventually will become a great power. The evidence being given, among others, are that Indonesia is a member of G-20 and has been actively involved in many international fora in the past ten years. I have no quarrel whatsoever with Acharya's depiction of the current trajectories of Indonesia's foreign policy.

However, I took the liberty to assign myself a task to provide a critical point of view on the book and, equally important, a critical contemplation to my fellow Indonesians here in the room today. I have known Acharya, for quite some time now, through a number of conferences that we both attended. Also, as a graduate student I read many of his academic writings in International Relations (IR) classes that I took. I also had a long discussion with him during the time he wrote this book. From that type of interaction, academically and personally, upon reading this new book I cannot escape from an intellectual impression that Acharya champions what we call the social constructivism in IR.

For those in this room who are not familiar with the term, social constructivism in IR posits that we should give emphasis on norm-setting and common identity building that will eventually regulate, or may alternate, the conduct of inter-state relations. This perspective challenges the basic tenet of realism that until today is still the dominant perspective in IR. Realism posits that our world is in constant anarchy; thus a state should trust no other state but itself. Therefore, a state should always increase power through whatever means at disposal. Indonesia, and Southeast Asia, is thus a convenient place for social constructivism theorists, because as the region is filled with narratives about norm-setting and shared identity building. This book is one of the many that will probably emerge about the region in more years to come.

I would also like to pose a question to ponder: let us go back to the so-called Democratic Peace Theory that suggests that democracies do not go to war with each other. Now, for the interest of Indonesia: should we, or should we not, promote our democracy abroad at the very least to Southeast Asia? If yes, how and in what way? More importantly, do we have the capacity to do so? If we should not, why not?

I observe the fact that the Association of Southeast Asian Nations (ASEAN) has in the past few years begun adopting principles of democracy (for instance the establishment of ASEAN's human rights mechanism), which is only possible because Indonesia is democratizing. In fact, Indonesia has been actively promoting the adoption of those principles into ASEAN, regardless of the fact that some members of ASEAN are very reluctant given their own domestic situations.

The point that I am trying to make here is that we as a matter of fact have been promoting the ideas of democracy and human rights into ASEAN the same way Suharto did in the 1970s and 1980s. The New Order's notion of "national-resilience" (*ketahanan nasional*) made its way to and translated into ASEAN formal documents to become "regional-resilience" that enhanced the Association's notion of non-interference principle. This in turn made ASEAN to be known as the "club of dictators," given the undemocratic nature of governments of most of the Southeast Asian countries at that time.

Indonesians will be feeling good reading the book as it portrays success stories of our diplomacy and our good image abroad. But, as a citizen and a non-diplomat, I am entitled to ask a naïve question: Where is the beef, i.e. the tangible benefit of our diplomacy for our people? Acharya rightly points out in this book that Indonesia is still militarily and economically weak. Income per capita is increasing, but so does inequality, as at least shown by the high Gini coefficient.

The fact that Indonesia's economy has been growing in the past ten years is mainly due to domestic consumption and natural-resource extraction-based exports. The two factors are not sufficient to keep the economy growing. High income per capita may cause a high degree of complacency, while natural resource extraction might not be long lasting. I think all of us here vividly remember that in 1988 The World Bank termed Indonesia as one of "the economic miracles," but a decade later that economic achievement quickly evaporated within months during the severe Asian economic crisis.

Another point that needs to be raised in regard to the emerging power

status of Indonesia is about technology. The historian Paul Kennedy in his book *The Rise and Fall of Great Powers* attributes at least two things of the rise of new power and the fall of old power: old power's involvement in a long and protracted conflict; and new power's acquisition of new (military) technology.

If those two factors are thrown in as factors to support Acharya's view of Indonesia as an emerging power, the picture is not that promising. Indonesia, together with other ASEAN countries, has been successful in creating a regional environment conducive for peace. So, at this point of time, it is hard to imagine that there will be a long protracted conflict in the region involving ASEAN countries.

Yet, in term of acquisition of (military) technology, Indonesia is for sure so lagging behind. I believe that many of you share my view that when it comes to technology development in Indonesia, we see no light at the end of the dark tunnel as yet.

One important question to ask though: what causes Indonesia to develop quite well that enables it to acquire the emerging power status? Is the idiosyncratic factor of certain Indonesian leaders more important than other factors, including the structural ones? Emerging as a new power implies that Indonesia is also acquiring some sort of a new leadership role. The question will be: at what level? It seems that the level that we are often talking about the so-called Indonesia's leadership is "intellectual leadership." This is understood as providing the ideas in managing international relations in the Southeast Asian region by offering some concepts to guide the relations. Among the examples are Marty Natalegawa's "dynamic equilibrium," Hassan Wirajuda's "intermestic – international/domestic - understanding of international politics," and Ali Alatas' "enhanced interaction." (as an alternative to "flexible engagement"). Indonesia has been providing "intellectual leadership" for a long time in ASEAN. But, can Indonesia flex some muscles in certain issues? The answer is most of the time no.

Lastly, foreign policy begins at home. Indonesia's biggest problems are at home, be they political, institutional, and leadership problems. If we fail to put our house to be consistently in a democratic order, our image as a new democracy is not more than merely a sand castle that can be easily wiped out.