

Indonesian president visits Australia amid intensifying US-China tensions

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Publicly, the brief visit by Indonesian President Joko Widodo to Australia this week was marketed as a sign of the close partnership between the two countries. Prime Minister Anthony Albanese and Widodo posed for the camera as friendly pals while the media coverage focused on building closer economic ties, easing business visa restrictions and small Australian handouts to Indonesia related to climate change.

However, the anodyne character of their carefully contrived joint statement could not hide fundamental divergences between the two countries as the US intensifies the war against Russia in Ukraine while step-by-step preparing for military conflict with China. While Australia has lined up completely with the US on both fronts, Indonesia continues its precarious balancing act between the major powers, appealing for peace in Ukraine and the Indo-Pacific.

Widodo has been critical of the Quadrilateral Security Dialogue involving the US, Japan, India and Australia, and particularly the AUKUS pact announced last year between Australia, Britain and the US that will supply the Australian navy with potent nuclear-powered attack submarines. The barely disguised target of both the Quad and AUKUS is China as the US seeks to strengthen military ties throughout the Indo-Pacific in its aggressive confrontation with Beijing.

In an interview with the *Australian Financial Review* prior to his arrival, Widodo declared that he now “accepts” Canberra’s decision to join AUKUS. He added, however, that groupings like the Quad and AUKUS “must be supporters of efforts to build [the] peace and stability of the region. The spirit must be engagement, not containment.” That objective is diametrically opposed to that of the US and its allies like Australia which is to encircle China and prepare for war.

The joint Widodo-Albanese communique made no mention of AUKUS nor of China. It referred broadly to the importance of promoting “peace and stability” in the region, opposed “any unilateral changes to the status quo” and emphasised “the importance of diplomacy to avoid the risks of miscalculation”—meaningless phrases that both sides could agree to without altering their stances.

The two leaders did reaffirm their “strong support for freedom of navigation and overflight and unimpeded trade” in the South China Sea—the banner under which the US military has conducted escalating military provocations with warships and aircraft close to Chinese-controlled islets. Indonesia has its own territorial dispute with China regarding waters around its Natuna Islands in the South China Sea that has resulted in tense standoffs.

The joint communique did, however, name Russia. It “strongly deplored the aggression by the Russian Federation against Ukraine”—in line with US propaganda to justify exploiting the war to undermine, destabilise and ultimately subordinate Russia to American imperialism. Again, apparent agreement masks divergent positions: while Australia has joined the US and NATO in supplying weaponry to the Ukraine to intensify the war, Indonesia has been pushing for negotiations for peace.

Last year, as G20 president, Widodo travelled to both Moscow and Kyiv as a mediator urging a peaceful solution to the conflict that turned out to be fruitless. At last month’s Shangri-la Security Dialogue in Singapore, Indonesian Defence Minister Prabowo Subianto proposed a peace plan calling for an immediate cease-fire and the establishment of demilitarised zones guaranteed by UN peacekeeping forces. The proposal was criticised and summarily

dismissed by the US and NATO, which want nothing less than the military defeat of Russia.

In calling for peace, Prabowo cited the adverse effects of the war on Asian economies and food supplies. Indonesia has been hard hit by high levels of global inflation to which the conflict has contributed, and the shortages of grains caused by the sharp decrease of Russian and Ukrainian exports.

In the Indo-Pacific, Jakarta is acutely conscious that tensions between the US and China, its largest trading partner, will have a severe impact on its economy. Indonesia retains strong strategic ties with the US which is its second largest trading partner.

A comment last weekend posted on the East Asia Forum entitled “Bringing more ambition to the Australia–Indonesia relationship,” warned of the dangers of “the reassertion of great-power rivalry in Asia,” including “unwinding economic interdependence, prioritising military deterrence as means of preventing conflict, weaponising economic interdependence for coercive purposes and threatening military force to achieve political ends.”

The article noted the “global political and economic fragmentation, or worse, that would have a huge impact on the Southeast Asian economy, especially that of Indonesia. An early OECD estimate suggests that the impact of decoupling on ASEAN [Association of South East Asian Nations] economies would be an 11 percent drop in their incomes, wreaking regional economic and political havoc.” It urged Indonesia and Australia to work together to try to ease geo-political tensions.

Far from pushing for peace, the Australian Labor government has been acting on behalf of Washington in the region to bully and cajole ASEAN countries and Pacific Island nations into openly siding with the US against China. For their expressions of friendship, Albanese will have put the hard word on Widodo to shift from Indonesia’s traditional non-aligned foreign policy into the camp of US imperialism. Indonesia, as the world’s fourth most populous country and largest South East Asia economy, carries considerable political clout among ASEAN countries.

Australia and Indonesia are negotiating a defence cooperation agreement to upgrade their military relations and already engage in some joint and multi-lateral military exercises. Last year for the first time, the Australian military participated in expanded US-

Indonesian war games know as Exercise Garuda Shield along with 11 other countries, including Japan, India, Canada, France, South Korea and Britain.

Albanese undoubtedly used economic incentives to woo Widodo to Washington’s side. Widodo, who will end his second and final term as president next year, is anxious to leave a legacy as a moderniser. He launched the final draft of a National Long-Term Development Plan for 2025–45 that fancifully envisages Indonesia becoming a high-income country with zero poverty alongside other major powers.

During his short visit, Widodo placed great store in Australian cooperation in establishing an Indonesian Electric Vehicle (EV) industry, initially with the production of batteries. Indonesia has the world’s largest reserves of nickel and is looking to Australia as a supplier of lithium, another essential ingredient. “Indonesia and Australia must build a more substantive and strategic economic cooperation through the joint production of EV batteries,” Widodo told reporters in Sydney.

However, nothing was agreed beyond promises of further talks, an “action plan” on critical minerals between Western Australia and Indonesia’s Chamber of Commerce and Industry, and minor handouts, including a \$US33 million initiative to attract private climate finance to Indonesia. Widodo left largely empty-handed. Beneath jovial backslapping, basic strategic differences remain and will only sharpen as the US intensifies its military build-up and provocations in the Indo-Pacific against China.



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