

Katonah Great Decisions Chapter  
Indonesia: Prospects for Prosperity -- January 25, 2012  
Summary by Elizabeth Hall

Indonesia's land area is about 3 times the size of Texas. Of more than 17,500 islands, 6,000 are inhabited. Its 237.6 million people make it the world's 4<sup>th</sup> most populous nation. Jakarta, the largest city, has a population of 9.7 million. About 86% of the population is Muslim, nearly 6% is Protestant; 3% is Catholic, almost 2% is Hindu. The rest of the population (3.4%) are "other." More than 98% of adults are literate; life expectancy at birth is 70.76 years; the population is growing at the rate of 2.7%.

Its economy's growth: \$707 billion at a rate of 6.1% (2010); \$834 billion at a rate of 6.5% (est. 2011).

U.S. Department of State. Bureau of East Asian and  
Pacific Affairs. Background Notes: Indonesia.

How does global warming affect the Indonesian islands?

Rising seas will seriously impact cities that are situated along the coastlines. Its entire environment (farming, etc.) will probably be affected in lesser ways.

Can Indonesia feed itself? Agriculture is responsible for 15.3% of its GDP, but don't know whether it requires much.

How did Indonesia develop such a large Muslim population?

Through traders from the Middle East. In any island nation, there's usually a great cultural diversity. Those islands most affected by Spanish [as in Philippine] or Dutch [as in Indonesia] cultures will develop in different ways. Even the Muslim areas are very different from other Muslim areas. Although women may wear veils, the veils are not black, but brightly colored.

Indonesia is only 63 years old. It is responsive to a charismatic leadership—including that of Obama. What is the potential impact of the 2012 presidential election in the U.S. and the 2014 election in Indonesia?.. The U.S.-Indonesia relationship has been favorable for some time. Soekarno was our man. Mosques built by Saudi Arabia probably behind a stricter form of Muslim culture.

We're holding the Saudis' hands. We ought to stand up to them.

What about the sea lanes through Indonesia? An important article in the Jakarta Post (10-6-2009) says that the sea lanes require unimpeded passage under the U.S. Pacific fleet. Without such a large military presence, shipping might not be able to get through choke points.

About two years ago, China began constructing a canal through Thailand, where it may move shipping from Indonesia. This creates the potential for conflict within the Indian Ocean and will affect Indonesia's economy.

The Holland was one of the most active trading countries, and the Dutch may have had a major influence on Indonesia's trade and culture. When you look at Indonesia's trading partners, Japan gets 16% of Indonesian's trade; China, 12%; U.S. 11%; Singapore, 9%; Korea, 8%. Largest export commodities are oil and gas (18%), Minerals (15%), textiles and footwear (9%), Crude palm oil (8.5%), electrical appliances (8%), and rubber produces (5%).

U.S. helped Indonesia in two major ways:

- Made them self-sufficient rice producers
- Helped them stabilize their population with family planning.

What changes in our foreign policy would occur if we took a more nuanced view of Islam?

We've moved more and more of our military into NW Australia? What's up? It's actually one combat brigade (3,500). Obama is getting us out of Iraq; he's redistributing our troops with the increasing power of China in mind.

I don't see that the U.S. has vital interests in Indonesia?

What about keeping the sea lanes open? What about Indonesia as a counterbalance to China? Free trade in the area is important, but not VITAL. Indonesia could become important in its own right, but it's not there yet.

It's important that it's the largest Muslim nation and still democratic.

China's geographic position makes it highly insecure. According to Colin Gray, all politics is geopolitics. [Gray's latest book is *Hard Power and Soft Power: The Utility of Military Force as an Instrument of Policy in the 21<sup>st</sup> Century*. (April 2011). The author finds the latter is significantly misunderstood and therefore inappropriately assessed as a substitute for the former, the threat or the use of military force.]

Teddy Roosevelt not only said it much earlier (whoever controls the seas controls the world) but he also sent the great white fleet around the world.

In *The Next Hundred Years*, George Friedman also stressed the importance of geopolitics.

Is keeping the global commons open a question of dominance? Do we have to dominate or can we share the cost?

Republican rhetoric has stressed American dominance and American exceptionalism.

Is there agreement across the spectrum on Indonesia? I noticed that both "experts" were from the right side of the spectrum (Heritage Foundation and American Enterprise Institute).

What drove the shift toward communism under Sukarno? Where are those old forces today?

In the 1960's, countries were seeking aid, and the U.S. and Russia were bidding against each other. Now it's the U.S. and China.

George Friedman has pointed out that the ocean is the cheapest way to move goods, and no one moves on the sea without the permission of the U.S.

A nation's GDP tells you what it can afford, but the best yardstick is the per capita GDP. Despite the fact that the U.S. spends the most on its military, it still only spends about 5%.

During Nixon, we stopped shipping soy beans to Japan. We should never use exports as a weapon in this way.

During the last session we discussed whether the U.S. might be open to joint ventures to keep shipping lanes open.

Language is another problem when one nation stops another nation's ships.

We ought to decry the nation of a Pax Americana. We spend 5% of a trillion dollars on the military. We could use the money on other things, such as education.

Elizabeth Hall  
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