



THE HABIBIE CENTER
The Habibie Center
TALKING ASEAN



Discussion Report Talking ASEAN

on

US Foreign Policy Post-Election:
Anticipating Changes in Global Strategy

Jakarta, 12 December 2024



Introduction

On Thursday, 12 December 2024, The Habibie Center convened the Talking ASEAN seminar titled “**US Foreign Policy Post-Election: Anticipating Changes in Global Strategy.**” The seminar featured **Derek Grossman** (Senior Defense Analyst, RAND Corporation), **Moch. Faisal Karim** (Senior Lecturer, Universitas Islam Internasional Indonesia), and **Diana E. S. Sutikno** (Senior Diplomat, Center for Policy Strategy for the Asia Pacific and Africa, Ministry of Foreign Affairs of the Republic of Indonesia) –and was moderated by **Indira Utomo** (Researcher of ASEAN Studies Program, The Habibie Center).


The objectives of the seminar were to: (a) explore the US approach towards the ASEAN region; (b) analyze the evolving bilateral ties between Indonesia and the US in political security, economic, and socio-cultural sectors; and (c) identify possible measures to strengthen engagements between the US and ASEAN during the new administration.

This discussion report summarizes each speaker’s key points and the following questions and answer session.

PRESENTATION FROM THE PANELIST



Derek Grossman
Senior Defense Analyst
RAND Corporation



Grossman opened the session with an analysis of the potential implications of President-elect Donald Trump's return to the White House for Southeast Asia. He explained that the incoming administration appears set to revitalize the Indo-Pacific strategy first developed during Trump's initial term, primarily aimed at countering China's growing influence in the region. While countries like the Philippines and Vietnam would likely welcome this approach, others, such as Indonesia and Singapore, might raise concerns about heightened regional tensions.

Grossman highlighted Trump's anticipated shift away from promoting democracy and human rights abroad in favor of a more transactional approach focused on advancing US national interests. This shift will likely garner broad support, particularly among ASEAN countries with authoritarian tendencies. Such a pragmatic policy orientation could strengthen the US' long-term competitive position against China in the region. Grossman noted that Trump's early political appointments, including Senator J.D. Vance as Vice President and Senator Marco Rubio as Secretary of State, along with the placement of other China hawks in key positions, indicate that competition with China will remain a cornerstone of US foreign policy.

The Philippines and Vietnam stand out as clear beneficiaries of this competitive strategy. Both nations face significant challenges from China's expansive nine-dash (now ten-dash)

line claims in the South China Sea and are at the forefront of efforts to challenge these assertions, which conflict with the United Nations Convention on the Law of the Sea (UNCLOS). In recent years, the Philippines has deepened its security alliance with the US to counter China's gray zone tactics, particularly around disputed features such as Second Thomas Shoal and Scarborough Shoal. Under President Marcos Jr.'s pro-US orientation, the Philippines seeks sustained commitments from the US — a stance that aligns with the projected policies of a second Trump administration. Grossman notably stated that without US support, the Philippines would be left to fend for itself against growing Chinese coercion.

Vietnam, while maintaining cordial relations with China, has few expectations of US support for its claims in the South China Sea. However, Vietnam continues to benefit from US military assistance as part of the upgraded partnership agreement between the two countries that began in September 2023. Since then, Vietnam has emerged as a key strategic partner for the US. Despite previous frictions over bilateral trade and currency manipulation during Trump's first term, recent communications between Trump and Vietnam's leader, Tô Lâm, suggest that economic engagement may continue to develop alongside strategic cooperation against China. This shift signals a potential prioritization of strategic interests over trade disputes. Both Trump and Lâm discussed



economic engagement favorably, suggesting that a second Trump administration might overlook trade frictions favoring Vietnam's cooperation in containing China in the region. Other maritime claimants, such as Brunei and Malaysia, are also likely to benefit from US support for their claims in the South China Sea. However, Malaysia has separate concerns regarding the second Trump administration, including the potential for new trade tariffs and Trump's likely strong support for Israel, which remains unpopular in Muslim-majority countries. This concern is shared by other Muslim-majority countries in the region, including Brunei and Indonesia. Overall, ASEAN countries are less enthusiastic about a second Trump administration intensifying competition in the region. During a visit to outgoing US President Joe Biden, Indonesia's President Prabowo Subianto referred to the US as a "great friend" of Indonesia. The two sides pledged to strengthen military cooperation, reflecting a careful balancing act between the two great powers, the US and China. Singapore has expressed deep anxiety about the intensifying great power competition. Thailand has not welcomed the great power rivalry, likely due to its historical and cultural ties with China, alongside its alliance commitments to the US.

Potentially, Trump's approach to great power competition could open the door for closer ties between the US and other authoritarian states in ASEAN. This is because Trump is more likely to favor a transactional approach, which



could lead countries like Cambodia, Laos, and Myanmar to develop stronger relations with the US.

From a broader perspective, Grossman noted that Trump is not fully opposed to US-led minilateral groups, contrary to what many analysts believe. Minilateral groupings such as AUKUS, Quad, and Japan-Philippines-US (JAPHUS) are seen by China as part of the US' efforts to contain China. Given Trump's renewed focus on great power competition, he is likely to maintain these groups, and perhaps even create new ones if necessary. After all, Trump's past policies on the Quad suggest that he is not averse to moving beyond bilateral mechanisms and utilizing multilateral frameworks to address challenges in the Indo-Pacific. Grossman concluded his remarks by pointing out that Trump's multilateralism has its limits. For example, he has strained relations with ASEAN, and if this continues, the bloc is likely to view a second Trump administration as fundamentally "unserious" about enhancing US relations with the region, potentially making the administration's job more difficult.

PRESENTATION FROM THE PANELIST



Moch Faisal Karim
Senior Lecturer
Universitas Islam Internasional Indonesia



Karim began by examining the potential impacts of a second Trump presidency on ASEAN, with a particular focus on Indonesia. He pointed out that, unlike Trump's first term, which was marked by uncertainty and anxiety, the elites and policymakers now have experience and a deeper understanding of how to deal with Trump and his approach to foreign policy. This predictability, he argued, stems from Trump's consistent transactional approach to international relations, which prioritizes bilateral deals over multilateral frameworks and domestic interests over international norms. This directly echoed Grossman's earlier point, but Karim emphasized that this makes a second Trump administration more "predictable." Karim implied that Trump is not a proponent of the normative US foreign policy approach, which emphasizes issues such as human rights and climate change. He explained that this shift would make it easier for the pragmatically oriented ASEAN countries to navigate a second Trump administration, at least at the normative level.

Karim highlighted two key factors that could make Trump's second term more impactful than his first. The first is that, unlike before, Trump's decisive win in this election grants him an "unprecedented mandate," which provides him with domestic legitimacy and greater support from the American public. Moreover, with a Republican-majority Senate, a potentially Republican-majority House, and a conservative Supreme Court, Trump

could have more freedom in his decision-making. This consolidated power base could amplify what Karim termed "Trumpism," a populist approach to international relations that emphasizes bilateral negotiations and economic leverage.

Secondly, from the mainstream US foreign policy perspective, ASEAN members have been considered strategic partners for the US, particularly in the context of its rivalry with China. Traditionally, the region has been a battleground for great power competition between the US and China. However, Karim implied that Trump might not prioritize Southeast Asia as much in his second term, instead likely directing more time and resources toward Europe and the Middle East, regions that are central to US interests due to ongoing geopolitical conflicts. That said, Southeast Asia remains an important chokepoint for the US supply chain, particularly in the provision of critical minerals. Therefore, despite Trump's historical disinterest in the region, he may still be compelled to invest in bilateral relations with ASEAN countries.

Karim anticipated a shift in how ASEAN countries would approach a new Trump administration. He explained that ASEAN countries would no longer be able to rely on a multilateral approach in their dealings with the US, a strategy that was more feasible during the Biden administration. Under Biden, there was a clear preference for multilateral engagement, as demonstrated by initiatives



like the Indo-Pacific Economic Framework (IPEF) and minilateral arrangements such as the Quad, AUKUS, and JAPHUS. This shift will compel ASEAN and its member states to reassess their approach to the Indo-Pacific region. In this context, it becomes essential to reevaluate the ASEAN Outlook on the Indo-Pacific (AOIP), especially given Trump's demonstrated disinterest in multilateralism.

Karim highlighted that during his campaign, Trump was vocal about his intention to impose high tariffs on China. While this could pose challenges for unprepared countries, it also presents potential opportunities. Countries like Malaysia and Vietnam have actively sought to attract foreign investment, particularly from

companies looking to offshore production from China. Indonesia, however, has struggled to capitalize on these opportunities. The country's downstream initiative has progressed slowly, with a significant portion of raw materials still being exported to China. Karim argued that if this trend continues, Indonesia will face considerable difficulty in negotiating a favorable tariff deal with the new Trump administration.

Three anticipated policy shifts during a potential Trump presidency and their impact on the ASEAN region can be highlighted, first, Trump is unlikely to utilize the IPEF as a diplomatic tool. Despite its slow progress, driven by questions surrounding commitment



and efficiency, IPEF remains one of the US' main economic bargaining instruments with ASEAN countries. Secondly, Trump is expected to increase tariffs on Southeast Asian economies that maintain a trade surplus with the US. This could lead to a potential decline in Southeast Asian exports to the US, thereby affecting regional trade flows. In light of these changes, it is anticipated that ASEAN countries will strengthen their economic engagement with China as the other great power in the region.

Karim also anticipated a decline in foreign direct investment (FDI) from American companies into Southeast Asia. Indonesia has been seeking to diversify its FDI, particularly in response to growing public criticism of President Joko Widodo for accepting excessive investment from China. However, because of the decline of American FDI, ASEAN countries must compete for offshore Chinese investments. Indonesia is likely to face challenges in competing with Malaysia and Vietnam, which are better positioned and more prepared to attract investment from high-tech industries. This presents a prime opportunity for China to dominate FDI flows into the ASEAN region.

Lastly, Karim noted that there will be a reduction in US support and involvement in climate-linked investments in Southeast Asia. This shift is attributed to Trump's preference for nonrenewable and inexpensive energy sources, such as oil and coal. Consequently, this will lead to decreased investment and fewer incentives for the green transition in the region. In conclusion, there seems to be skepticism regarding the US commitment to the global green energy transition.

PRESENTATION FROM THE PANELIST



Diana E. S. Sutikno

Senior Diplomat

Center for Policy Strategy for the Asia Pacific and Africa
Ministry of Foreign Affairs of the Republic of Indonesia



Drawing from her 26 years of diplomatic experience, Sutikno provided a comprehensive overview of Indonesia-US relations through eight key focus areas. She began by addressing the broader context of global challenges, citing the World Economic Forum's 2024 assessment of risks across economic, environmental, geopolitical, social, and technological domains. Moreover, she highlighted four key challenges including global supply chain disruption, financial market disruption, security and human dynamics, and political instability. Hence, these challenges, including the ongoing conflict in Gaza, Ukraine, and Sudan, necessitate strong international collaboration.

Sutikno elaborated that several expectations arise from the new Trump administration's policies. She believed that the US under Trump would adopt an isolationist approach, characterized by unpredictability and a clear preference for bilateral over multilateral arrangements. This approach would likely lead to the strengthening of key bilateral military cooperation and an intensification of burden and cost-sharing in defense, particularly with ASEAN countries like the Philippines.

On the significance of US-Indonesia relations, the US has been a key strategic partner for Indonesia in the

fields of security, investments, and technological development. President Prabowo's official visit to the US in November 2024 was a gesture of appreciation for the importance of maintaining these relations. Both countries seek to deepen their partnership in defense, critical technologies, and economic ties, driven by their shared interest in regional stability and economic growth. Sutikno emphasized the US' instrumental role in enhancing Indonesia's defense capabilities, particularly in the maritime security field.

Regarding bilateral ties, Sutikno highlighted the 75th anniversary of relations, tracing their evolution from 1945 through several key milestones: the 2010 Comprehensive Partnership, the 2015 Strategic Partnership focusing on six key areas (maritime, defense, economic development, energy, global and regional cooperation, and people-to-people contact), and culminating in the 2023 Comprehensive Strategic Partnership. She noted that Indonesia is only the second ASEAN state to secure such a comprehensive strategic partnership with the US.

Regarding US interests in Indonesia, Sutikno identified three key areas such as strategic, economic, and security commitments. She emphasized Indonesia's crucial geographic position




in the Indo-Pacific region, its role as a major shipping route connector, and its status as ASEAN's natural leader. The strategic importance of Indonesia is further underscored by its ability to foster regional stability and mediate multilateral cooperation, which aligns with the US vision for a Free and Open Indo-Pacific (FOIP).

On political and security cooperation, Sutikno detailed several key areas of collaboration, including cybersecurity, defense cooperation, maritime security, and counterterrorism. She highlighted the successful "Super Garuda Shield" joint military exercise, involving

approximately 5,500 personnel from multiple countries, as an example of strengthening bilateral military ties. Additionally, she noted Indonesia's significant role in UN Peacekeeping Operations, ranking among the top five contributing countries and expanding cooperation in cybersecurity, maritime security, and counterterrorism. Notable was her discussion of support for UN Security Council reform, particularly regarding inclusiveness.

On economic relations, Sutikno provided comprehensive trade statistics, noting that the US remains Indonesia's third-largest export destination after China



and Japan, with trade reaching \$11.5 billion in 2023. Indonesia's exports to the US reached \$23-24 billion, comprising key products such as palm oil, crustaceans, wood and furniture, textiles, and footwear. Sutikno addressed the importance of the Generalized System of Preferences (GSP) for maintaining duty-free exports, she also addressed concerns about potential challenges under a second Trump presidency, particularly regarding proposed tariff increases of 60% on Chinese products and 20% on products from other countries. This could impact Indonesia's trade position, given its significant economic ties with both the US and China.

On socio-cultural cooperation, Sutikno emphasized the significance of soft diplomacy through various exchange programs, including the International Visitor Leadership Program, which has involved over 100 Indonesian leaders in US Department programs covering journalism, economic development, financial systems, civil aviation, and cybersecurity. She highlighted ongoing collaborations in cultural heritage preservation, higher education access, and new initiatives in democratic governance and human rights. These people-to-people connections remain vital for maintaining strong bilateral relations.

Looking forward, Sutikno acknowledged potential challenges under a second Trump administration, including projected slower economic growth in Asia, declining exports due to higher tariffs, slower US economic growth, pressure on the balance of payment, and potential weakening of the rupiah. However, she maintained an optimistic outlook, noting that Indonesia's overall exposure to risks from potential Trump administration policies remains moderate at around 32.5% according to the Economist Intelligence Unit's Trump Risk Index 2024. She concluded by emphasizing Indonesia's commitment to maintaining its independent and active foreign policy while balancing relationships with both the US and China.



QUESTION AND ANSWER SESSION



Questions

Ristian Atriandi Supriyanto (Universitas Indonesia):

Given that this would be Trump's second term, and considering the "America First" and transactional approach is now well-known, would Trump's negotiating tactics (described as "bombastic bluffs") be less effective? As the speaker notes, "you cannot use the same bluffs twice" - suggesting that other countries might be more willing to call Trump's bluffs this time around since they have seen this approach before?

How effectively could Trump's appointed officials implement his more controversial policy promises? These policies, such as reducing support for Ukraine or expanding involvement in the Middle East, are unpopular even within Washington policy circles and are likely to face opposition from the establishment and bureaucracy.


Responses

Moch Faisal Karim (Senior Lecturer, Universitas Islam Internasional Indonesia):

Regarding the effectiveness of Trump's negotiating tactics in a potential second term, Karim argued that such tactics could be more effective than in his first term, not less. He pointed to examples from Trump's first term where these approaches showed results, such as South Korea increasing its defense expenditure and changes in European Union and NATO members' behavior. While these responses may not have represented complete policy shifts, they demonstrated that Trump's signaling strategy could effectively influence partner behavior.

Karim suggested that these tactics could be even more potent in a second term due to Trump's stronger domestic position. With greater Congressional support and a Senate majority likely aligned with his policies, Trump's negotiating positions would carry more credibility. This increased domestic backing would make his threats and negotiations more persuasive to international partners.

On the question of how countries could effectively engage with this approach, Karim pointed to Singapore as a model. Singapore has successfully adapted to Trump's transactional style by understanding his need for "domestic wins" and framing cooperation in terms that Trump can present positively to his base. This suggests that countries that understand and adapt to Trump's diplomatic style can effectively navigate relationships with his administration.



The speaker concluded that rather than being less effective, Trump's negotiating tactics could carry more weight in a second term due to his stronger domestic political position and partners' better understanding of how to engage with his style. This understanding could allow for more effective bilateral negotiations and outcomes.

Diana E. S. Sutikno (Senior Diplomat, Center for Policy Strategy for the Asia Pacific and Africa, Ministry of Foreign Affairs of the Republic of Indonesia):

Drawing from her diplomatic experience during Trump's first term, particularly in human rights issues, Sutikno offered a nuanced perspective on Trump's negotiating tactics and international engagement. She noted that while Trump's "America First" policies and campaign promises might resonate with domestic audiences, their international implementation often proved more complex than initially presented.

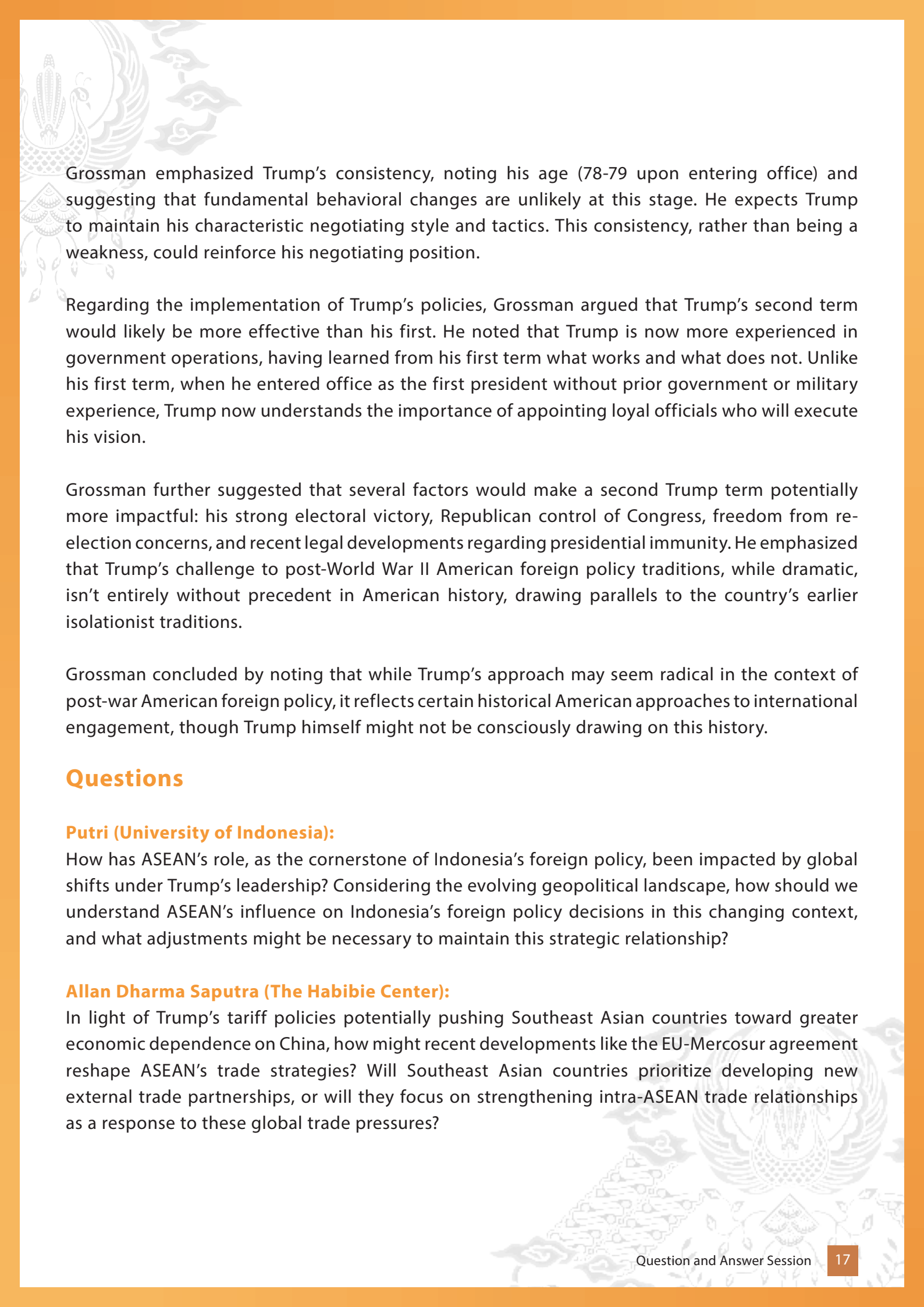
Sutikno referenced her firsthand experience with the US withdrawal from international organizations during Trump's first term, including the World Health Organization. However, she observed that such withdrawals didn't always result in complete disengagement. For instance, in UN contexts, even after threatening to withdraw, US representatives would continue participating in consultations and maintaining involvement in critical discussions.

Regarding a potential second Trump term, Sutikno expressed hope that the US would not retreat from its international commitments, particularly in multilateral organizations and frameworks. She emphasized the continued importance of US leadership in global discussions and initiatives. While acknowledging the possibility of more extreme positions in a second term, Sutikno maintained an optimistic outlook. She suggested that while past behavior might indicate potential future actions, the actual implementation of policies often differs from initial positions.

Sutikno concluded that while there are concerns about more dramatic withdrawals from international engagement in a second Trump term, the practical realities of global leadership and international relations might moderate such impulses. However, she cautioned that she was not in a position to make specific predictions about future policies.

Derek Grossman (Senior Defense Analyst, RAND Corporation):

Regarding the effectiveness of Trump's negotiating tactics, Grossman argued that the very fact that we are still debating whether Trump is bluffing demonstrates the continued potency of his approach. He pointed out that the uncertainty itself is a form of leverage - if experts and analysts are still questioning whether Trump's threats are genuine, world leaders likely share similar uncertainties.



Grossman emphasized Trump's consistency, noting his age (78-79 upon entering office) and suggesting that fundamental behavioral changes are unlikely at this stage. He expects Trump to maintain his characteristic negotiating style and tactics. This consistency, rather than being a weakness, could reinforce his negotiating position.

Regarding the implementation of Trump's policies, Grossman argued that Trump's second term would likely be more effective than his first. He noted that Trump is now more experienced in government operations, having learned from his first term what works and what does not. Unlike his first term, when he entered office as the first president without prior government or military experience, Trump now understands the importance of appointing loyal officials who will execute his vision.

Grossman further suggested that several factors would make a second Trump term potentially more impactful: his strong electoral victory, Republican control of Congress, freedom from re-election concerns, and recent legal developments regarding presidential immunity. He emphasized that Trump's challenge to post-World War II American foreign policy traditions, while dramatic, isn't entirely without precedent in American history, drawing parallels to the country's earlier isolationist traditions.

Grossman concluded by noting that while Trump's approach may seem radical in the context of post-war American foreign policy, it reflects certain historical American approaches to international engagement, though Trump himself might not be consciously drawing on this history.

Questions

Putri (University of Indonesia):

How has ASEAN's role, as the cornerstone of Indonesia's foreign policy, been impacted by global shifts under Trump's leadership? Considering the evolving geopolitical landscape, how should we understand ASEAN's influence on Indonesia's foreign policy decisions in this changing context, and what adjustments might be necessary to maintain this strategic relationship?

Allan Dharma Saputra (The Habibie Center):

In light of Trump's tariff policies potentially pushing Southeast Asian countries toward greater economic dependence on China, how might recent developments like the EU-Mercosur agreement reshape ASEAN's trade strategies? Will Southeast Asian countries prioritize developing new external trade partnerships, or will they focus on strengthening intra-ASEAN trade relationships as a response to these global trade pressures?



Farah:

Given that Trump's first term significantly challenged ASEAN's centrality and multilateralism, what concrete steps can ASEAN take to maintain its relevance and influence during a second Trump term? Specifically, is there potential for new partnership initiatives similar to the AOIP to emerge as engagement mechanisms during the second Trump administration?

Responses

Diana E. S. Sutikno (Senior Diplomat, Center for Policy Strategy for the Asia Pacific and Africa, Ministry of Foreign Affairs of the Republic of Indonesia):


Sutikno emphasized that ASEAN will continue to be the cornerstone of Indonesia's foreign policy, regardless of external influences. She stressed that while Indonesia is the largest country in ASEAN and a key regional player, it has never imposed its policies or values on ASEAN. The organization operates through its charter and is currently exploring ways to make its mechanisms more effective. She pointed to ASEAN's various multilateral frameworks, including the East Asia Summit and ASEAN Regional Security Forum, as evidence of its institutional strength. Sutikno highlighted the recent joint statement between the Indonesian President and President Biden, which explicitly endorsed ASEAN centrality. She suggested that even under a Trump presidency, ASEAN's role would likely be acknowledged in Indo-Pacific engagement.

Sutikno drew from her experience with the ASEAN Human Rights Commission to illustrate how ASEAN continues to promote important universal values to the world. She emphasized that ASEAN's strength lies in its ability to maintain unity despite individual member states' internal challenges. The focus, she argued, should be on strengthening ASEAN's centrality and relevance rather than questioning its fundamental role in regional affairs.

Derek Grossman (Senior Defense Analyst, RAND Corporation):

Regarding the future of multilateral arrangements under a second Trump presidency, Grossman predicted that Trump would likely maintain existing multilateral groupings, particularly the Quad. He noted that Trump himself initiated the revival of the Quad meetings after a decade-long hiatus. Under Trump's first term, these meetings progressed to the ministerial level, and the Biden administration later elevated them to summit-level engagements.

Grossman emphasized that the Quad has developed institutional resilience to withstand political transitions in member countries, making it difficult to dismantle. While Trump might be skeptical of new multilateral arrangements created during Biden's presidency, Grossman suggested that these organizations might not receive enough attention from Trump to warrant significant changes, especially since they contribute to great power competition with China.



Regarding ASEAN's position, Grossman identified a concerning trend where the proliferation of minilateral arrangements, particularly under the Biden administration, has inadvertently undermined ASEAN's centrality and effectiveness. While the US consistently declares ASEAN's centrality to the Indo-Pacific strategy, Grossman noted a disconnect between rhetoric and reality. He observed that except for the Philippines' deepening alliance with the US to counter China, most ASEAN members try to remain non-aligned in great power competition.

This misalignment between US objectives and ASEAN's non-aligned stance has led to the emergence of alternative groupings like the Quad and AUKUS to fill perceived gaps in regional coordination. Grossman concluded that this trend of ASEAN's diminishing centrality might accelerate during a second Trump administration.

Moch Faisal Karim (Senior Lecturer, Universitas Islam Internasional Indonesia):

Karim addressed the three questions by identifying a common underlying theme regarding ASEAN's role and Trump's potential impact. He began by highlighting ASEAN's incomplete economic integration, noting that intra-ASEAN trade accounts for only 25 percent of total trade, compared to the European Union's 60-70 percent internal trade volume. This limited integration, he argued, has made it challenging for ASEAN to maintain its relevance in the regional order over the past decade.

Regarding regional integration initiatives, Karim referenced ASEAN's 2013 effort to create RCEP (Regional Comprehensive Economic Partnership). While this was intended as an ASEAN-led initiative, it has often been perceived as a Chinese project. Given Trump's focus on bilateral relationships, Karim suggested that ASEAN members should reassess their approach to regional integration, particularly addressing economic inequalities among member states, which range from highly developed economies like Singapore and Malaysia to less developed nations.

On the question of ASEAN's non-alignment stance, Karim argued that Indonesia's "active" foreign policy should not be equated with pure non-alignment. Rather, it represents a strategic approach to advancing national interests through ASEAN. He noted that in the coming years, increasing pressure from great powers might force ASEAN countries to make more definitive choices rather than maintaining equidistant positions.

Finally, Karim identified two critical challenges for ASEAN: regional integration and the South China Sea issue. He emphasized that ASEAN's traditional neutral stance on the South China Sea might become increasingly untenable, particularly as some members like the Philippines take more assertive positions against China. He concluded that ASEAN cannot maintain its central role by continuing business as usual, suggesting that both economic integration and strategic positioning require new approaches.



Questions

Delvinia:

How can Indonesia maintain momentum in its sustainable energy transition programs like JETP (Just Energy Transition Partnership) if faced with reduced US climate investment under the Trump administration? What strategies could Indonesia employ to diversify its international partnership and financing sources while ensuring both environmental sustainability and economic development goals are met?

Nabila (University of Indonesia):

From your practitioner perspective, how do you respond to academic criticism that ASEAN centrality is merely rhetorical rather than substantive? Additionally, how do major powers like the United States and Japan currently perceive ASEAN's role and influence in regional affairs, do they view ASEAN as a genuine source of regional power and influence?

Saiful Fuad:

How would you assess the effectiveness of Indonesia-US bilateral relations in advancing Indonesia's political interest thus far? Looking forward, what specific aspects of this relationship could be strategically leveraged to support Indonesia's future policy objectives?

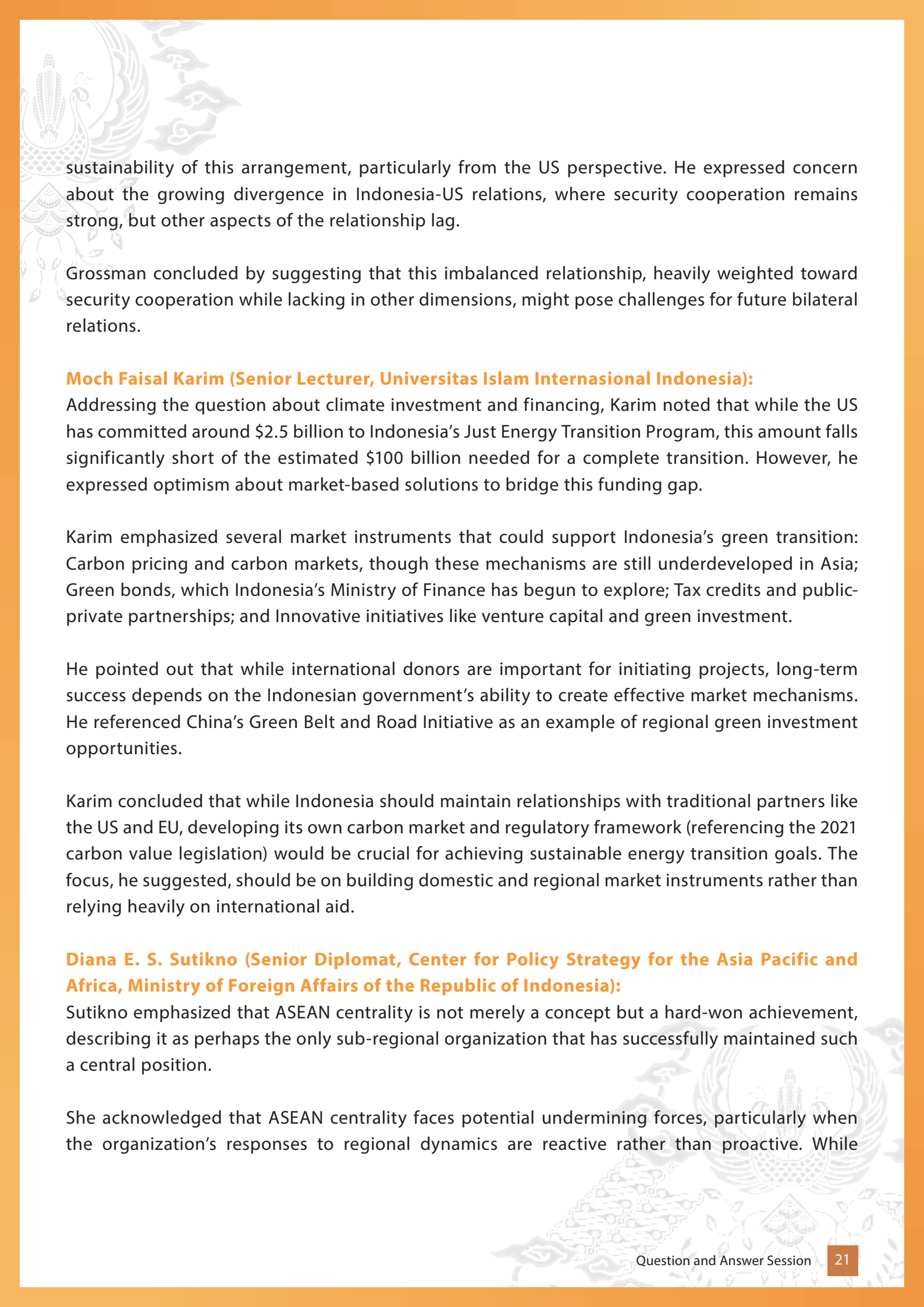
Responses

Derek Grossman (Senior Defense Analyst, RAND Corporation):

Addressing primarily the question about Indonesia-US relations, Grossman acknowledged that the relationship has seen a general warming trend over decades, with particular improvements in recent years. However, he expressed concern that US foreign policy toward Indonesia is heavily focused on enlisting Indonesia's support in its geopolitical rivalry with China - an approach he believes is unlikely to succeed.

Grossman identified a significant gap in the US economic strategy toward Indonesia and Southeast Asia broadly. He attributed this partly to US domestic politics, where both the far left and far right oppose trade agreements due to concerns about American job losses. This political constraint has limited America's economic engagement with Indonesia, creating a vacuum that China has filled through various means, including economic partnerships, development projects, and COVID-19 vaccine distribution.

He noted that Indonesia has adopted a pragmatic approach, leveraging China's economic benefits while taking advantage of US security cooperation. However, Grossman questioned the long-term



sustainability of this arrangement, particularly from the US perspective. He expressed concern about the growing divergence in Indonesia-US relations, where security cooperation remains strong, but other aspects of the relationship lag.

Grossman concluded by suggesting that this imbalanced relationship, heavily weighted toward security cooperation while lacking in other dimensions, might pose challenges for future bilateral relations.

Moch Faisal Karim (Senior Lecturer, Universitas Islam Internasional Indonesia):

Addressing the question about climate investment and financing, Karim noted that while the US has committed around \$2.5 billion to Indonesia's Just Energy Transition Program, this amount falls significantly short of the estimated \$100 billion needed for a complete transition. However, he expressed optimism about market-based solutions to bridge this funding gap.

Karim emphasized several market instruments that could support Indonesia's green transition: Carbon pricing and carbon markets, though these mechanisms are still underdeveloped in Asia; Green bonds, which Indonesia's Ministry of Finance has begun to explore; Tax credits and public-private partnerships; and Innovative initiatives like venture capital and green investment.

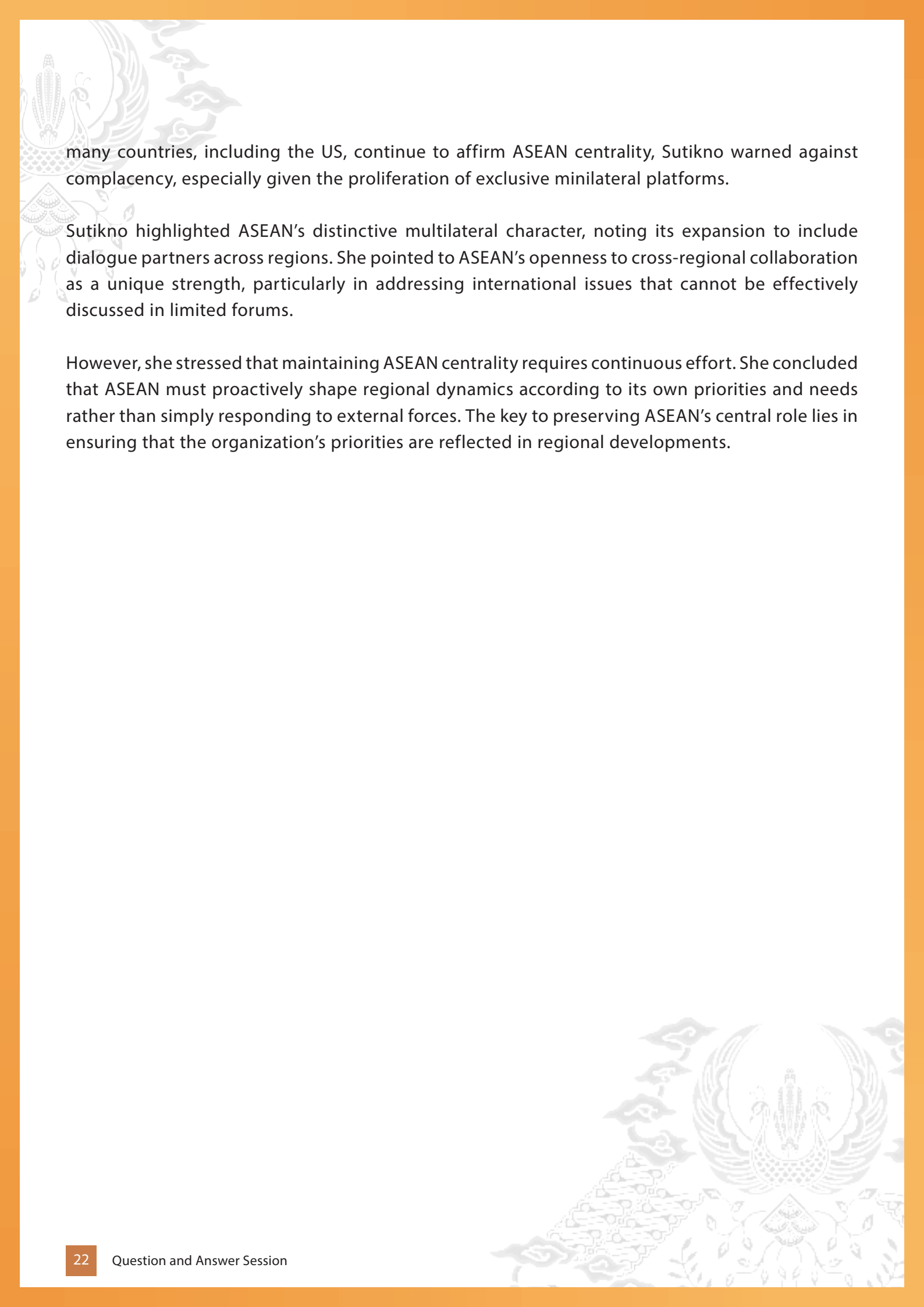
He pointed out that while international donors are important for initiating projects, long-term success depends on the Indonesian government's ability to create effective market mechanisms. He referenced China's Green Belt and Road Initiative as an example of regional green investment opportunities.

Karim concluded that while Indonesia should maintain relationships with traditional partners like the US and EU, developing its own carbon market and regulatory framework (referencing the 2021 carbon value legislation) would be crucial for achieving sustainable energy transition goals. The focus, he suggested, should be on building domestic and regional market instruments rather than relying heavily on international aid.

Diana E. S. Sutikno (Senior Diplomat, Center for Policy Strategy for the Asia Pacific and Africa, Ministry of Foreign Affairs of the Republic of Indonesia):

Sutikno emphasized that ASEAN centrality is not merely a concept but a hard-won achievement, describing it as perhaps the only sub-regional organization that has successfully maintained such a central position.

She acknowledged that ASEAN centrality faces potential undermining forces, particularly when the organization's responses to regional dynamics are reactive rather than proactive. While



many countries, including the US, continue to affirm ASEAN centrality, Sutikno warned against complacency, especially given the proliferation of exclusive minilateral platforms.

Sutikno highlighted ASEAN's distinctive multilateral character, noting its expansion to include dialogue partners across regions. She pointed to ASEAN's openness to cross-regional collaboration as a unique strength, particularly in addressing international issues that cannot be effectively discussed in limited forums.

However, she stressed that maintaining ASEAN centrality requires continuous effort. She concluded that ASEAN must proactively shape regional dynamics according to its own priorities and needs rather than simply responding to external forces. The key to preserving ASEAN's central role lies in ensuring that the organization's priorities are reflected in regional developments.



Closing Statement

Diana E. S. Sutikno (Senior Diplomat, Center for Policy Strategy for the Asia Pacific and Africa, Ministry of Foreign Affairs of the Republic of Indonesia):

Diana Sutikno highlighted the importance of platforms for open dialogue between government and academia. Speaking as a representative of the Foreign Policy Strategy Agency, she highlighted their commitment to collaboration with various stakeholders to work toward a more just, peaceful, and prosperous world.

Moch Faisal Karim (Senior Lecturer, Universitas Islam Internasional Indonesia):

Moch Faisal Karim stressed that the US would remain an important partner for Indonesia despite Trump's election and its associated challenges. He emphasized the opportunity for President Prabowo, with his understanding of geopolitics, to navigate relations with Trump's deal-making approach. Karim suggested that the era of non-alignment might be ending, making strategic choices unavoidable, and called for new ideas to maintain Indonesia's central role both in ASEAN and regionally.

Derek Grossman (Senior Defense Analyst, RAND Corporation):

Derek Grossman concluded by identifying both promise and peril in a second Trump administration for Southeast Asia. On the positive side, countries pushing back against China might receive more consistent US support, while Trump's transactional approach could enable dialogue with countries that have authoritarian tendencies. However, he warned about the risks of intensifying great power competition leading to potential crisis or conflict. He expressed particular concern about the over-securitization of issues at the expense of other diplomatic tools, such as economic engagement.



ABOUT ASEAN STUDIES PROGRAM

The ASEAN Studies Program was established on February 24, 2010, to become a center of excellence on ASEAN related issues, which can assist in the development of the ASEAN Community by 2015. The Habibie Center through its ASEAN Studies Program, alongside other institutions working towards the same goal, hopes to contribute to the realization of a more people-oriented ASEAN that puts a high value on democracy and human rights.

The objective of the ASEAN Studies Program is not merely only to conduct research and discussion within academic and government circles, but also to strengthen public awareness by forming a strong network of civil society in the region that will be able to help spread the ASEAN message. With the establishment of ASEAN Studies Program, The Habibie Center aims to play its part within our capabilities to the ASEAN regional development.

ABOUT TALKING ASEAN

Talking ASEAN is a monthly public dialogue held at The Habibie Center in Jakarta. Covering a wide array of issues related to ASEAN, Talking ASEAN addresses topics of: Economic Integration, Socio-cultural, & Democracy, human rights and regional peace, among others. Featuring local and visiting experts, Talking ASEAN is one of a series of twelve dialogues regularly held each month and open to a target audience consisting of ASEAN officials, foreign ambassadors & diplomats, academics, university students, businesses, and the media.

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